

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

March 20, 1959

63rd Year, No. 12

N. Y. Tackles Continental Casualty On Credit A&S

Seeks To Bar Insurer's Use Of 'Unapproved' Form, Rates; Makes General Charges

NEW YORK—Superintendent Thomas Thacher has asked the supreme court, the state's lowest tribunal, for a permanent injunction prohibiting Continental Casualty from selling credit A&S in the state under forms and at rates not approved by the superintendent.

The action was taken by the attorney general, representing the department, under the amendment to section 154 of the insurance law adopted in 1958 and effective last Oct. 1. This specifically requires affirmative approval by the superintendent of forms and rates for credit coverages.

On and after Oct. 1, the complaint charges, Continental Casualty issued 3,431 individual credit A&S policies in New York without approval. An exhibit filed with the complaint shows that most of these policies were issued through banks and savings and loan associations throughout the state.

Among other charges contained in Mr. Thacher's affidavit, which accompanied the complaint, was one that

(CONTINUED ON PAGE 41)

Company Testifies Cover Was Approved, Denies Charges And Says State Is Unfair

NEW YORK—Continental Casualty categorically and specifically denied all of the allegations made by Superintendent Thomas Thacher in connection with the insurer's credit A&S business in the state, in oral arguments in the supreme court here, and in briefs.

Attorneys for the company introduced evidence showing that the department had approved both the form it uses in this state for its credit A&S business and the rates charged for it. In any event, counsel for the company contended, under a similar action instituted by Mr. Thacher's predecessor, Julius S. Wikler, against Old Republic Credit Life and Credit Life, the department is stayed from outlawing credit insurance forms previously approved, until that litigation is decided.

Denies Excessive Commissions

The company also sharply denied allegations by Mr. Thacher that the company paid excessive commissions, returned inequitable benefits to insured, avoided claims, etc.

The Thacher action is part of a larger dispute between insurers writing credit insurance and the department which is in litigation in the supreme court of Albany county, John P. McGrath pointed out. Mr. McGrath's firm, Hodges, Reavis, McGrath & Downey, is co-counsel for Continental Casualty with Aranow, Brodsky, Bohlinger, Einhorn & Dann, of which a former superintendent, Alfred J. Bohlinger, is a member.

Old Republic and Credit Life were served a show cause order by Mr.

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\$465,000 Bank Loss Covered By \$150,000 Bond, Officers' Funds

The Bank of Lyons at Lyons, Ill., which suffered an embezzlement loss estimated at \$465,000 was bonded for only \$150,000. Aetna Casualty had the bond, but reinsured 75% of it. The bank is still in business because the officers and directors put up enough money of their own to keep it going.

One of the principal characters in this loss is Alvin A. Schultz, president of Knox Steel & Wire Co. He has been indicted along with the bank's cashier, it being charged that the cashier and Schultz conducted private transactions with the bank's money.

Chicago insurance people recall Schultz as one of the principals also in the \$2.5 million embezzlement loss of Highway Ins. Co. Schultz is under indictment for this loss along with Harry Gralnek, former secretary-treasurer of Highway, the indictment charging that Gralnek took the insurance company money, deposited it in his own account and then loaned it to Schultz.

Highway subsequently was bought by the Mark Kroll interests of Cincinnati and Indianapolis, and then resold to a group of Chicagoans who renamed the company Metropolitan Ins. Co. and now are being sued by Metropolitan

(CONTINUED ON PAGE 41)

'Reevaluate' Ohio Agents' Policy On Commissions

COLUMBUS—One delegate from each of the 85 local boards in Ohio Assn. of Insurance Agents is meeting here this week to discuss the position of the association on commissions.

The Ohio agents' association has maintained a hands-off policy on commission negotiations, but the meeting this week has been called to "reevaluate this position."

Eye McCarran Act Amendment To Cure Credit Cover Abuses

O'Mahoney Group Continues Inquiry Into Ocean Marine, Mail Order, Rate Bureaus

WASHINGTON—The anti-trust and monopoly subcommittee of the Senate, which, under the guidance of Sen. O'Mahoney, has been investigating insurance practices and pricing and the effectiveness of state regulation, has issued an interim report on its activities. The subcommittee indicated it was not yet ready to make final recommendations to Congress.

However, the report states that rating bureaus are under investigation; that the subcommittee staff has been accumulating information on ocean marine and mail order insurance, on which hearings will be held this year; and that the subcommittee will determine if the McCarran act should be amended to regulate "unscrupulous practices" in credit insurance. The report also calls attention to the need of investigating state disapprovals of rate increases where insolvency threatened.

The Supreme Court decision restricting the jurisdiction of Federal Trade Commission in the insurance business indicates "the danger of a possible no man's land where the public interest is not protected by either state or federal law," the report declares. This restriction, with its resulting confusion

(CONTINUED ON PAGE 25)

Middlewest Wind Causes \$3.7 Million Loss, 75,000 Claims

The windstorm which struck the middlewest last weekend has been estimated by Western Adjustment to have caused approximately \$3,750,000 damage. Assigned catastrophe number 99 in Ohio, the storm also caused some damage in Arkansas (where it originated), Missouri, Illinois, Indiana, and Michigan.

An over-all total of 75,000 claims, averaging \$50, is expected, according to estimates. Most of these have been centered in the northern Ohio area, especially in Cleveland. Western Adjustment has sent 50 adjusters into the state, where 25,000 of the claims occurred.

\$700,000 Wind, Hail Loss At Fort Worth

FORT WORTH—Tornadic winds in the southern section of Fort Worth and hail damage in northern sections, principally in the Lake Worth area, resulted in aggregate insurance losses of \$700,000 in the late afternoon of March 10, according to estimates of General Adjustment Bureau. Some 3,500 losses are expected.

A GAB storm office has been set up with T. E. Johnsey, field examiner, in charge, under general supervision of R. A. Townsend, branch manager.

Urges Insurers To Give Direction To Car Styling By Specific PHD Rating

William P. Henderson, president of Henderson Tire Co., Detroit, addressing the underwriting conference of Conference of Mutual Casualty Companies last week in Chicago, urged insurers to help give direction to styling of cars by rating them individually in a manner that reflects their merits and demerits.

Insurance companies collect about \$3.5 billion in automobile PHD premiums annually and thus, Mr. Henderson said, assume an obligation which goes beyond simply offering protection to an insured.

Most of the attention and efforts in the auto field go to the liability side of the business, Mr. Henderson remarked, although this represents only about 30% of the auto income dollar. Material damage cost reduction is assigned to the claim departments, but, he declared, the solution is in underwriting, not claims.

He asserted that to insure cars according to list price is wrong. To in-

sure all makes or all models selling at \$3,000 at the same premium is fallacious, because claim costs are higher on some cars than others. Furthermore, insurers seldom have to pay a total loss, making the list price of a car of even less value to the underwriter. The insurer pays partial damage, but makes no distinction between autos having expensive design of styling features and those without them.

Car manufacturers and insurers need to understand each other's problems if they are to help the insured motorist, he added. To use the influence of insurance underwriting on car design would be in the tradition of insurance, he explained. It would follow the theory of Lloyds underwriters of the early days who rated ships individually and by rate differentials influenced ship construction and safety.

The influence of sound underwriting

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Starting the television portion of National Assn. of Insurance Agents' 1959 advertising program, Joseph A. Neumann (center) of Jamaica, N. Y., chairman of the advertising committee; and James R. Mathews (right), NAIA director of advertising, sign up for Mike Wallace's (left) News Beat program, which the association will sponsor one night a week in New York.

Cries For Marketing Action Are Sad Echoes Of Familiar Refrain

By JOHN N. COSGROVE

Based on a talk at Pittsburgh I-Day.

The marketing ills of agency companies have been diagnosed for many years, and various remedies have been proposed. A search through the files of THE NATIONAL UNDERWRITER puts the marketing riddle in its proper perspective as a long term and harassing problem. It is not, as some imply, an emergency and revolutionary development which began the day before yesterday.

Questioned Sales Technique

Five years ago at a meeting of Western Underwriters Assn. M. E. Petersen, vice-president of Springfield F&M., asked "is our sales technique as modern as our product? Have we forgotten that merchandise, regardless of its excellence, must still be sold?"

For an answer, he said, the business

needs only to look at the record. The inroads made in the insurance market in the last decade by those companies which were once negligible elements are a convincing indication that time honored methods of distribution need revision.

Mr. Petersen spoke in 1954, so his reference to the last decade takes us back to 1944. It is a sobering thought that in the ensuing 15 years, an entirely new insurance market has developed. Many of the teenagers of 1944 are now the inhabitants of suburbia with middle incomes, modest homes and children. These families grew up with the discount house, and their buying habits in every field, including insurance, have been conditioned to that development.

In addition, many customers who were already on the direct writers' books only for automobile insurance 15 years ago now also buy other personal lines from them. The buying habits of

many in this market, perhaps were formed at age 25 when they began family life and have been inflexibly fixed now at age 40. All this while, the agency companies and their producers have been discussing the marketing revolution.

But to return to Mr. Petersen and his 1954 comments. He called the agency system the best method of distribution yet discovered. He said the system was not bogging down, but an attitude had developed among producers and companies which subordinated salesmanship even to the extreme of disassociating it from the business. He noted a tendency to regard selling as something to be confined to door to door peddlers.

He traced the phenomenal growth of direct writer premiums compared with agency company writings and said that price was not entirely responsible. In his view, a more effective

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White Puts Agent's Role In Focus At Pittsburgh I-Day

Pittsburgh I-Day speakers accomplished the seemingly impossible by holding the interest of a capacity crowd, mainly producers, with a minimum of references to commissions. The tone of the meeting was summed up in the remarks of Morton V. V. White of Allentown, Pa., chairman of National Assn. of Insurance Agents' special committee on federal affairs. In a moderate discussion, largely without reference to notes, Mr. White defined the producer's place in the business. "Service is our only inventory," he declared.

Leaves Firm Impression

He did not wring company noses, but he deftly left the firm impression that agents are not going to hold still for any proboscis pulling. Mr. White's calm approach began with the observation that companies would not, under any circumstances, accept a great deal of the business that various commentators are moaning is being lost to competition. Personally, he has no ambition to capture all the business in town. But he noted that his agency's volume is growing, and not simply because of rate increases.

Mr. White disclaimed any talent as a top technician or outstanding salesman and described himself as a second-floor, walk-up agent. His job, as he sees it, is analyzing, prescribing and providing for customer needs. His view of his place in the business may not meet with the full approval of company vice-presidents in charge of sales, but it seems to be producing results for him.

Stresses Community Role

He stressed the role of the independent producer in community and civic affairs and noted that direct writer salesmen are conspicuously missing in such activities. If their employers thought such participation was important, they would be in up to the

(CONTINUED ON PAGE 39)

Says Past Offers No Help For Current Agency Problems

It would be comforting if the business could expect today's critical situation—like that of compensation in the 1930s and auto in the 1940s—to correct itself and permit a return to the old way of life. But this is not in the cards, according to Carl L. Kirk, Chicago actuarial consultant.

In his talk at a forum on new trends for agents and companies, at Pittsburgh I-Day, Mr. Kirk emphasized that previous problems in the business have stemmed from recognizable causes, usually inadequate rates or ill-conceived policy forms which could be corrected without dumping traditional concepts. Today the business is not only trying to straighten out old problems, but it is in the middle of a competitive situation which cannot be handled by time-honored methods.

Any company or agency which is unprepared for drastic change in its operations might just as well quit worrying about the future—because it isn't going to have much future to be worried about, Mr. Kirk said.

Today's Situation Unique

There have been some critical times in the history of the business when the agents could say: "This is a problem for company management to solve," and other times when the companies could say: "That is a matter for the agents to handle," Mr. Kirk continued. But now there is no dividing line of responsibility. The threat to joint survival is so serious that no one can afford to hang on to any traditional notions unless they measure up to merciless testing and scrutiny for excess baggage which can be thrown overboard. This is not a temporary situation which can be handled by half-way measures. Nothing short of drastic change will allow the companies or their agents to remain an

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AUTO COMMISSIONS HIGHLIGHT N.J. MIDYEAR

Cut In Production Cost Factor Analyzed; Companies Skirt Drop In Expense Factor

Discussions of automobile commission cuts and the prospect of similar reductions in other lines dominated the midyear meeting of New Jersey Assn. of Insurance Agents at Asbury Park. More than 250 were on hand to hear Valmore H. Forcier, Danielson, Conn., member of the executive committee of NAIA, and Milton H. Grannatt Jr., Trenton, president of New Jersey association, explore recent commission developments and analyze their meaning to producers.

Mr. Forcier noted that he had taken at 17½% cut in pay this month because his commission on automobile lines was dropped five points. His companies did not take unilateral action. There was a long friendly discussion. The net result, however, was none the less painful.

Mr. Forcier expressed the fear that this action is only a forerunner of what may be in the offing, for example in connection with the new homeowners. He wondered what the reduction in the acquisition cost factor in automobile rate filings is supposed to accomplish. Some sources say that it might narrow the price differential between independent agents and that of direct writer competitors. But there is no assurance that these competitors will not follow with a corresponding rate reduction.

Others say that the reduction might improve the loss figures of the companies, he continued. But there is no guarantee that the loss of life and limb on the highways will not rise this year as it has in every recent year. Some company executives say that the reduction will result in better underwriting by producers anxious to improve their markets. But there is no assurance that companies will discontinue to appoint, and departments will discontinue to license, unprepared, unadaptable, incompetent, part-time

agents, who will offset the gains which careful and proper underwriting by responsible agents produce.

It is claimed that the reduction in commissions based on the new filings will improve the over-all positions of bureau companies in the automobile insurance market, Mr. Forcier went on. But there is no assurance that more and more companies will not withdraw from the bureaus and decide to go it alone, to gain a temporary advantage.

"We are told by some that these commission reductions will be the cure all for the ills which beset our business

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American and French insurance leaders discuss international insurance problems at a reception held in New York by American International Underwriters for a group of French and Belgian executives on a study tour of the U.S. From the left are E.A.G. Manton, president American International Underwriters; Francois Lardreau, Ste. Sprinks & Cie., Paris; Andre Soyer, Andre Soyer & Cie., Paris; G. Edward Nichols, Fred S. James & Co., New York, chairman of National Assn. of Insurance Brokers; Valmore Forcier, Danielson, Conn., executive committee member, of National Assn. of Insurance Agents, and A.E. Gilbert, executive vice-president American International Underwriters.



THE AMERICAN INSURANCE COMPANY

HEAD OFFICE: NEWARK, NEW JERSEY

The American Insurance Company

American Automobile Insurance Company

Associated Indemnity Corporation

FINANCIAL STATEMENTS, DECEMBER 31, 1958

ASSETS

	The American Insurance Company	American Automobile Insurance Company (1)	Associated Indemnity Corporation (2)
Cash in Banks and Offices.....	\$ 6,071,929	\$ 1,374,499	\$ 550,845
U. S. Government Securities*.....	42,128,296	17,756,665	9,316,991
Canadian and other Foreign Government Bonds*.....	2,456,900	1,868,434	—
State and Municipal Bonds*.....	29,438,385	46,339,012	9,706,918
Corporate Bonds*.....	5,087,051	—	—
Preferred Stocks*.....	16,255,957	4,968,400	585,000
Common Stocks, except Subsidiaries*..	56,854,309	12,798,056	5,212,980
Stock of Subsidiaries*.....	43,548,668	11,415,830	—
Real Estate.....	4,399,932	—	230,998
Agents' Balances (less than 90 days old)	15,434,473	8,231,719	2,057,930
Other Admitted Assets.....	7,514,826	2,380,030	607,734
Total Admitted Assets.....	\$229,190,726	\$107,132,645	\$28,269,396

LIABILITIES

Reserve for Unearned Premiums.....	66,843,950	35,650,106	8,912,526
Reserve for Losses and Loss Adjustment Expenses.....	47,579,700	25,375,840	6,343,960
Reserve for Taxes.....	2,405,300	1,248,000	320,774
Reserve for Policyholders' Dividends Declared.....	392,264	209,207	52,302
Reserve for Expenses and other Liabilities.....	6,502,142	1,100,824	1,224,004
Total Liabilities.....	\$123,723,356	\$ 63,583,977	\$16,853,566
Capital Stock.....\$10,374,395	\$ 3,500,000	\$ 1,000,000	
Surplus..... 95,092,975	40,048,668	10,415,830	
Surplus as regards Policyholders.....	\$105,467,370	\$ 43,548,668	\$11,415,830
Total.....	\$229,190,726	\$107,132,645	\$28,269,396

*The amortized and market values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. Securities carried at \$5,044,210 in the above statement for The American Insurance Company, \$4,064,135 in the above statement for American Automobile Insurance Company, and \$1,466,063 in the above statement for Associated Indemnity Corporation are deposited for purposes required by law.

(1) Wholly owned by The American Insurance Company.

(2) Wholly owned by American Automobile Insurance Company.

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Automobile • Burglary and Theft • Fire and Allied Lines • Fidelity • Multiple Peril Coverages
General Liability • Glass • Inland Marine • Ocean Marine • Surety • Workmen's Compensation

Dean And Ecker Are Added To Insurance Hall Of Fame

COLUMBUS—Albert F. Dean, pioneer in scientific fire rating, and Frederick H. Ecker, now honorary board chairman of Metropolitan Life and responsible for many innovations in the life insurance business, became the sixth and seventh members of the Insurance Hall of Fame during the induction ceremonies held at Ohio State University on March 13 in conjunction with the university's annual insurance conference.

Russell B. Hobbs, former manager of Western Actuarial Bureau who retired several years ago, represented Mr. Dean. Mr. Ecker, who was unable to reach Columbus because of inclement weather which grounded his plane, was represented by Milton O. Culpepper, superintendent of agencies of Metropolitan Life. Novice G. Fawcett, president of the university, presented the silver medals emblematic of membership in the Hall of Fame.

Sponsored By University

The Hall of Fame which had previously included the names of Benjamin Franklin, Elizur Wright, Solomon S. Huebner, Charles E. Hughes and Ralph H. Blanchard, is sponsored by the university and the Charles W. Griffith memorial foundation for insurance education at Ohio State University. Its purpose is to honor outstanding contributors to insurance thought and practice on the North American continent. The persons elected to membership are accorded this honor because of significant innovations in insurance.

Milton L. Landis, Central Mutual of VanWert, presided at the hall of fame luncheon and introduced Chester O. Sullivan, Midland Mutual Life, who presented the names of this year's inductees.

John S. Bickley, professor of insurance at the university and the man perhaps most responsible for the establishing of the hall of fame, recited dozens of congratulatory telegrams—including one from President Eisenhower—lauding Mr. Dean and Mr. Ecker.

The first winner of the Connecticut Mutual Achievement Award, to be given annually to the outstanding student of insurance in the university was Richard Turner, son of Floyd L. Turner, Turner & Shephard, Inc., the

(CONTINUED ON PAGE 32)

Upholds Service Charge By Broker

A brokerage firm which obtains insurance for a client may collect a 10% service fee in addition to its regular commission, New Jersey supreme court has ruled.

Madlyn and James Richard, trading as Grove Transportation Co. of Jersey City, sought to obtain new insurance for their nine cab taxi fleet after their insurance had been cancelled. Coro Brokerage Inc. of Brooklyn, obtained coverage for them and presented an \$837 service charge. The trial court held the extra fee illegal and Coro appealed.

"A service charge payable to the broker by his client, the insured," the court declared, "is neither a profit nor an expense of the insurer, and has no effect upon the rate approved by the commissioner, nor upon the amount of the premium paid by the insured. The service charge in the present case was not represented by the broker to the insured as part of the premium payment. It was the subject of a separate contract entered into between the broker and his client, the insured, for services to be performed."

The state attorney general as a friend of the court had entered the appeal with the contention that such a fee, if not prohibited, was unlawful in the absence of any statutory limitation.

"It is generally considered that a broker acts for the insured for the purpose of making the application and producing an insurance policy," the court stated.

"In this capacity the broker may render valuable services to his principal, e.g., in determining his insurance needs and in selecting and procuring a policy or policies which will provide the most favorable protection. In our view a reasonable charge by the broker does not offend public policy."

The court remanded the case to the lower court with directions to enter a judgment for the Coro firm.

Schedule Iowa Forums

Iowa Capital Stock Insurance Assn. will sponsor its fourth annual insurance forums beginning March 24 at Council Bluffs. Other sessions in western Iowa will be March 25 at Sioux City and March 26 at Fort Dodge.

In the eastern part of the state, meetings will be held March 31 in Waterloo, April 1 at Iowa City and April 2 at Ottumwa.

There will be a final forum at Des Moines April 7.

Kenney Is Promoted By American Home

American Home has appointed Richard P. Kenney superintendent of agencies. He was previously assistant manager at Philadelphia. He will supervise field operations of American Home and its affiliate Ins. Co. of Pennsylvania, under the direction of Elmer Van Dusen, vice-president in charge of agencies and production. Mr. Kenney was state agent in Massachusetts and Rhode Island before going to Philadelphia.

Agricultural Anchor Exchange Set At One For One And 1.1 For One

To correct erroneous information that has appeared in the press, Agricultural of Watertown, N. Y., has made the following announcement:

The company plans to file with Securities & Exchange Commission a registration statement within the next few days covering an offer to exchange stock of Agricultural for stock of Anchor Casualty on the basis of one share of Agricultural common stock for each share of Anchor Casualty common stock, and 1.1 shares of Agricultural common stock for each share of Anchor Casualty preferred stock.

Doremus Raises Bugli To Vice-President

Doremus & Co. advertising agency, New York, has elected Ralph W. Bugli vice-president. He had been special projects director of the agency's public relations division in New York since 1956. Mr. Bugli formerly was advertising manager of London Assurance and assistant to the director of public relations of National Board. From 1944 to 1953 he was vice-president of the Fred Eldean public relations agency. He then operated his own public relations agency. He was co-author of "Risks We Face—An Introduction to Property Insurance," now in its third edition.

N. Y. Surety Underwriters Celebrate 50th Year

Surety Underwriters Assn. of New York City marked its 50th anniversary with a luncheon meeting. More than 120 present and past members joined in the celebration. Printed copies of the association's history were distributed. Guy E. Conrath of American, association president, presided.

NYFIRO Wins Right To Appeal Allstate 15% Dwelling Cut

The New York court of appeals has granted the application of New York Fire Insurance Rating Organization to appeal from the decision of the appellate division of the supreme court, first department, in the Allstate dwelling rate case.

The highest appellate court of the state will review the decision of former Superintendent Holz which granted Allstate a 15% cut in rates on dwelling classes. NYFIRO contends that these rates are in violation of the state insurance law.

Among other issues involved in the appeal, is whether an insurer has the right to file rates lower than those filed by NYFIRO with respect to a class of business which the company had never previously written in the state.

Background Of Case Given

Following the decision of Superintendent Holz, an appeal was taken by NYFIRO and several intervening insurers to the appellate division. That court confirmed the decision of the superintendent, without opinion. One of the issues in that appeal was the right of NYFIRO and the intervening insurers to review the superintendent's decision as aggrieved parties.

In its decision, the appellate division held that NYFIRO and the intervening insurers are aggrieved parties, and as such have the right to question whether a filing by an independent company complies with the standards of the rating article of the insurance law, and to appeal to the courts for a judicial review of any adverse decision.

In connection with the application to the court of appeals for leave to appeal, the insurance department was represented by the state attorney general. Allstate was represented by Proskauer, Rose, Goetz & Mendelsohn, and NYFIRO and the petitioning insurers by Powers, Kaplan & Berger, and Charles P. Butler, of counsel.

Argonaut Names Lynch At Minneapolis; To Write WC

Argonaut has opened an office at Minneapolis under Richard T. Lynch and has entered the workmen's compensation and general liability field in Minnesota. Mr. Lynch has been with the company since 1951 and was manager at San Francisco.

KURT HITKE & CO., INC.

on your policies means you are being serviced by capable underwriters for . . .

GENERAL LIABILITY

FINANCIAL RESPONSIBILITY

TRUCKS-BUSSES

SURPLUS LINES

WORKMENS COMPENSATION

TAXICABS

NON-STANDARD AUTOS

CALL...WAbash 2-3622

175 WEST JACKSON BLVD.

CHICAGO 4, ILLINOIS

LOS ANGELES

SPRINGFIELD

MIAMI

ATLANTA

BALTIMORE

107TH Annual Report

to Policyholders and Stockholders



India House, Hanover Square—1852

OUR FIRST HOME

India House, center of New York commerce a century ago, still stands—a landmark of the beginning of an era full of promise for progress and almost unlimited opportunity. Situated on Hanover Square, from which our name is derived, our first Home Office was located in its shadow and we have shared in the remarkable growth of our country since 1852.

The first dividend was paid to stockholders in 1853 and dividends have been paid each year without interruption for the past 106 years.

We believe the horizon holds forth a bright prospect for a growing economy, prosperity, and productivity. We are prepared now, as then, to meet the challenge of progress by continuing to provide sound and modern insurance protection through local independent agents.

James H. Harris
President

Annual Statement

As of December 31, 1958

ASSETS

Cash—In banks and in office.....	\$ 5,192,203
Bonds:	
United States Government.....	\$15,567,344
Government of Canada.....	1,238,840
State and Municipal.....	2,927,466
Public Utility.....	5,612,907
Railroad.....	431,403
Industrial and Miscellaneous.....	2,538,118
	28,316,078
Preferred Stocks:	
Public Utility.....	2,130,800
Industrial and Miscellaneous.....	831,650
	2,962,450
Common Stocks:	
Bank.....	2,640,500
Public Utility.....	5,440,852
Railroad.....	1,261,500
Industrial and Miscellaneous.....	11,527,270
	20,870,122
Fulton Insurance Company.....	4,806,265
Agency Balances not over 90 days due.....	3,627,464
Other Admitted Assets.....	10,168,931
Total Admitted Assets.....	\$75,943,513

LIABILITIES

Reserve for Unearned Premiums.....	\$29,464,848
Losses in Process of Adjustment.....	12,338,087
Reserve for Federal and Other Taxes.....	936,300
Funds held under Reinsurance Treaties.....	6,002,429
Reserve for non-admitted Reinsurance.....	1,280,276
Reserve for all other Liabilities.....	1,466,147
Capital Stock—\$10 par.....	\$ 5,000,000
Voluntary Reserve.....	500,000
Net Surplus.....	18,955,426
*Policyholders' Surplus.....	24,455,426
Total.....	\$75,943,513

*Bonds and stocks have been valued in accordance with the requirements of the National Association of Insurance Commissioners. On the basis of December 31, 1958 market quotations for all bonds and stocks owned, total admitted assets would be \$75,716,154, and policyholders' surplus \$24,228,067.

Securities carried at \$2,302,070 in the above statement are deposited for purposes required by law.

The HANOVER INSURANCE COMPANY

New York

Home Office: 111 John Street, New York 38, N. Y.

Western Dept., Insurance Exchange, Chicago 4, Illinois

THIS COMPANY HAS PAID DIVIDENDS EACH YEAR SINCE 1853

Mailing Proof Meets 'Notice' Requirement

Evidence that insured had mailed notice of accident was enough to comply with the clause in the liability policy providing for notice as soon as practicable. This was the ruling of the Pennsylvania supreme court in Meierdierck vs Miller and others. It is reported in CCH 56 (Fire & Casualty) 945.

Victor Meierdierck was plaintiff in a trespass action against Herman Miller and won a judgment. The present

action was taken against Eureka Casualty which insured Miller. Eureka Casualty declined to pay the judgment because it did not receive written notice of the accident.

The accident occurred Oct. 25, 1955, and Miller wrote a notifying letter to the insurer Oct. 27, which he placed in a box in his office reserved for outgoing mail.

The insurer questioned that the letter had been mailed and introduced

evidence that the letter was not received.

The high court said insured claiming rights under a policy has the burden of proving compliance with its terms. Failure to comply with the notice provision would release Eureka, even though no prejudice may have resulted.

Proof Of Receipt Unnecessary

The lower court erred in charging the jury that it was required to find by a fair preponderance of the evidence that the letter was both mailed

and received. The court said it did not think the insurer's denial of the receipt of the letter nullified the presumption that, the letter being mailed as testimony showed it was, the letter was received by the persons to whom it was addressed.

The court added that the overwhelming weight of statistics clearly indicates that letters properly mailed and deposited in the post office are received by the addressees. Usually, it added, the one who mails a letter is devoid of any ability to prove receipt by the addressee. "The testimony by the addressee that he did not receive the letter, while admissible, is admitted only because of the import of that testimony on the issue of whether the letter was mailed."

The high court affirmed the lower court's granting of a new trial. It was from this action by the lower court that Eureka Casualty appealed.

Henry T. Reath appeared for Eureka Casualty, Theodore R. Mann for Miller, and Jerome L. Markovitz for Meierdierck. All are at Philadelphia.

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COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.....	Est. 1909
THE METROPOLITAN CASUALTY INSURANCE COMPANY OF N. Y....	Est. 1874
MILWAUKEE INSURANCE COMPANY.....	Est. 1852
ROYAL GENERAL INSURANCE COMPANY OF CANADA.....	Est. 1906
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK.....	Est. 1926
SEABOARD FIRE & MARINE INSURANCE COMPANY.....	Est. 1929

Loyalty Group Employees At Seattle Join Union Ranks

The Seattle office employees of Loyalty group by a vote of 20 to 4 have designated Office Employees International Union, an AFL-CIO affiliate, to represent them in their dealings with the company. The election was conducted by the National Labor Relations Board.

This is the first union activity in Washington insurance since 1956 when employees of Hansen & Roland at Tacoma, and the home office employees of Northwestern Life of Seattle, were approached. The Hansen & Roland employees voted to join the union, but later reversed that decision. Northwestern Life employees rejected the union representation.

New Orleans Insurance Club Elects Shepherd

Insurance Club of New Orleans has elected Alvin Shepherd, general agent, president. He succeeds James C. Kraus, local agent, who has been president since the club was organized in 1955. Other officers are Milton E. Moore, resident vice-president of American, and Parker A. Wiggins, Louisiana manager of Springfield F.&M., vice-presidents; Samuel S. Peters, state agent of London & Lancashire, secretary; and Jules E. Simoneaux Sr., Henry A. Steckler Co. general agency, treasurer.

Study Joins Carolina Casualty

George Study has joined the claims department of Carolina Casualty at Jacksonville, Fla., as legal supervisor. He has been in the claims field 23 years. He served for some years as southeastern claims manager of American Fidelity & Casualty and, in more recent years, was with R. D. Batjer Claims Service in Odessa, Tex., as co-owner and partner.

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Help Selves, No Miracle In Sight, Agents At Cleveland I-Day Told

Agents attending Cleveland I-Day were advised that they had better help themselves, because no miracle was in sight that would save them from further inroads planned by competition for lines other than auto. The conference, sponsored by Insurance Board of Cleveland, attracted 500 insurance men from northern Ohio.

"The independent agent cannot afford to flounder about for another 10 years as he has for the past 10, declared Arthur M. O'Connell, well-known Cincinnati agent, who was guest luncheon speaker. "The independent agent is now a second-class citizen in auto underwriting," he said, cautioning that the agent cannot assume that a miracle will somehow save him from further inroads that the competition plans to make into lines other than auto.

He criticized the agent for having done little to help himself, remarking that the agents' rights and privileges

have been jealously guarded to their own detriment. "So far," he said, "the company has been able only to enforce greater selectivity in underwriting and cut commissions as competitive devices." The agent must cooperate in a positive program with his companies, since he is a "creature of the company which makes his independence possible after all" Mr. O'Connell pointed out.

Recommends Measures

Specific measures that he recommended include: Streamlining office procedures; avoiding flat cancellations and free binders, selling moderate rather than jumbo liability limits; and complete honesty between the agent and his companies. In turn, the companies should make available more flexible rating structures, offering lower rates for preferred risks and penalties for the substandard.

Mr. O'Connell urged that compan-

ies "break the shackles of bureau domination" in the interest of rating and form flexibility. "The bureau should be no more than a statistic-gathering body," he opined.

No basis for current pessimism, however, was found by the keynote speaker, Commissioner Stowell of Ohio. He said both the agents and the companies will profit from cooperation for common objectives. Noting that there has been a 360% increase in premiums written in Ohio in the last two decades, he said pessimism should not get in the way of the agents' opportunities.

Stressing that agents should be truly multiple-line merchandisers, Marshall B. Simms, director, multiple-line development Continental Assurance, said agents must adopt the "See, Tell, Show and Sell" technique in increasing sales of general and life lines.

He said it is the rare and exceptional life company today which does not derive business from general lines men. Anyone fools himself if he believes the good general lines man cannot quickly absorb the knowledge

(CONTINUED ON PAGE 40)

Colo. High Court Requires Disclosure Of Insurance Data

Colorado supreme court in a split decision has joined Illinois in requiring a defendant in an auto damage suit to disclose whether he has liability insurance and how much.

The majority opinion said knowledge of coverage is relevant because of the financial responsibility law which requires a person involved in an accident to submit proof of responsibility.

The minority opinion said the decision "can only serve to force unjustified settlements before or during the trial."

The plaintiff, Mary V. Lucas, filed suit against George and Grace Moore. At the pre-trial depositions, Mary Lucas asked whether the Moores had liability insurance and the amounts. The Moores refused to answer and the trial court said they did not have to answer. Mary Lucas asked the supreme court to direct the trial court to require the Moores to answer the question.

The majority of the supreme court said the decision "will have a tendency to eliminate secrets, mysteries and surprises and should promote disposition of cases without trial and substantially just results in those cases which are tried."

Different In Kentucky

The Kentucky attorney general has ruled that reports made to the state department of public safety are confidential and not subject to inspection by interested parties. This reverses a ruling of a few days earlier which overlooked a conflicting law.

The Kentucky ruling was given to D. C. Ross Jr., an adjuster for U.S.F.&G., who wanted to know if the department of safety could deny access to interested persons under the financial responsibility law.

Rejoins Law Firm

William A. Wachenfeld, retired justice of the New Jersey supreme court, has rejoined Lum, Fairlie & Foster, Newark, general counsel of America Fore Loyalty group. Prior to his elevation to the bench, Justice Wachenfeld had been a general partner of the firm.

Harold A. Reise, Chicago consulting actuary, has joined Arthur Stedry Hansen Consulting Actuaries there as manager of the life and management consultant department.

Annual Statement

COMPARATIVE BALANCE SHEET — DECEMBER 31, 1958 AND 1957

ASSETS

	December 31,	
	1958	1957
Investments:		
Bonds (at amortized values):		
United States Government bonds	\$1,567,187	\$1,564,379
Other bonds	2,554,615	2,046,770
Stocks (at market value, less than cost)	321,100	290,900
Mortgage loans on real estate	490,090	537,149
Real estate	261,415	227,948
Certificates of deposit	25,000	25,000
Total investments	\$5,219,407	\$4,692,144
Cash	571,961	459,374
Premiums in course of collection, less coded reinsurance balances of \$29,788.39 on December 31, 1958 and \$20,431.33 on December 31, 1957	179,753	142,118
Reinsurance recoverable on paid losses	25,209	21,117
Commission due from reinsurer		11,700
Accrued interest	40,813	30,808
	\$6,037,143	\$5,357,261

LIABILITIES, RESERVES AND SURPLUS TO POLICYHOLDERS

Liabilities and reserves:		
Reserve for losses and loss adjustment expenses (case basis):		
Losses	\$1,824,318	\$1,912,623
Loss adjustment expenses	145,941	152,951
Total	\$1,970,259	\$2,065,574
Reserve for contingent reinsurance adjustment		36,500
Accrued taxes	7,873	6,724
Sundry accrued expenses	15,045	10,602
Reserve for unearned premiums	1,784,951	1,676,560
Excess of bodily injury liability statutory reserves over case basis loss and loss expense reserves	79,004	
Commissions payable to agents on direct collections from assureds	70,281	65,969
Advance premium payments, unallocated	23,447	16,670
Other liabilities	17,097	13,003
Total liabilities and reserves	\$3,967,957	\$3,891,602
Surplus to policyholders	2,069,186	1,465,659
	\$6,037,143	\$5,357,261



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Companies Report On 1958 Results

Surplus in the following company reports refers to surplus to policyholders:

Allied American Mutual Fire—Assets, \$16,994,576, inc., \$962,769; loss res., \$3,900,620; unearned prem., \$4,406,832; underwriting gain, \$185,853; investment gain, \$506,269; net income, \$618,235; Guaranty Capital and Fund \$500,000; surplus, \$5,881,187, inc., \$840,407.

	Premiums Earned	Losses Incurred
Fire	494,869	186,510
Extended Coverage	267,222	77,504
Other allied lines	1,979	136
Homeowners multi. peril	360,459	135,597
Earthquake	66,686	
Inland marine	1,690,305	1,535,048
Auto B.I. Liability	642,295	482,769
Auto PDL	2,467,075	1,277,619
Auto phys. dam.	906	
Aircraft PHD	48,189	15,404
Casualty	89,478	39,340
Excess of loss	5,950,710	3,766,688
Total		

Allstate Fire—Assets, \$16,174,359, decr., \$20,378,934; loss res., \$214,941; unearned prem., \$3,057,753; underwriting gain, \$304,870; investment gain, \$584,555; net income, \$631,361; capital, \$1,000,000; surplus, \$12,646,449, inc., \$2,750,635.

Auto phys. dam. 26,112,675 10,382,517

Allstate—Assets, \$585,093,258, inc., \$187,814,300; loss res., \$164,434,543; unearned prem., \$184,836,974; underwriting gain, \$17,081,340; investment gain, \$13,988,562; net income, \$22,001,705; capital, \$3,000,000; surplus, \$171,876,064, inc., \$94,912,033.

Fire	4,320,655	1,675,986
Extended Coverage	3,644,445	1,168,367
Other allied lines	16	
Homeowners multi. peril	3,454,061	1,215,738
Earthquake	7,658	156
Inland marine	13,693	4,375
Excess of Loss	51,737	3,936
Accident only (indiv.)	241	363
A&S (indiv.)	32,244	8,813
Group A&S	7,773,670	7,396,671
Liability (not auto) B.I.	3,696,389	1,086,119
Auto B.I. Liability	166,490,108	98,480,746
Auto PDL	66,639,688	36,520,063
Auto phys. dam.	64,680,862	29,727,060
PDL (not auto)	11,159	7,829
Burglary, theft	285,514	156,665
Total	321,102,140	177,452,687

American Central—Assets, \$20,331,741, inc., \$4,180,490; loss res., \$3,995,021; unearned prem., \$6,433,170; underwriting loss, \$343,102; investment gain, \$518,407; net income, \$235,884; capital, \$1,000,000; surplus, \$8,920,029, inc., \$1,578,798.

Fire	1,965,190	1,013,822
Extended Coverage	711,366	259,142
Other allied lines	13,227	7,090
Homeowners multi. peril	177,525	104,660
Commercial multi. peril	23,891	26,328
Earthquake	2,812	—9
Inland marine	473,754	230,613
Accident only (indiv.)	65,713	26,217
Health (indiv.)	82,293	52,535
Hosp. & med. (indiv.)	5,813	2,608
Group A&S	3,949	1,896
Workmen's comp.	720,520	516,177
Liability (not auto) B.I.	505,553	303,375
Auto B.I. Liability	1,280,832	908,636
Auto PDL	536,576	316,502
Auto phys. dam.	719,938	383,777
Aircraft PHD	33,390	—6,521
PDL (not auto)	106,414	46,748
Fidelity	61,199	31,482
Surety	57,974	13,015
Glass	65,809	26,769
Burglary, theft	141,677	58,363
Boiler, machinery	420,055	127,987
Total	8,155,380	4,452,239

American Fidelity & Casualty—Assets \$51,775,629, inc., \$5,068,865; loss res., \$25,168,271; unearned prem., \$9,712,416; underwriting loss, \$3,062,024; investment gain, \$1,097,300; net income, —\$1,943,711; capital, \$2,025,000; surplus \$10,303,636, inc., \$1,528,674.

Inland marine	551,759	412,273
Workmen's comp.	800,033	597,134
Liability (not auto) B.I.	41,811	33,077
Auto B.I. Liability	18,047,283	14,122,761
Auto PDL	7,478,428	4,273,203
Auto PHD	3,194,296	1,897,289
Aircraft PHD	—318	—18,959
PDL (not auto)	23,301	3,429
Total	30,136,596	21,320,206

American Fidelity Fire—Assets, \$14,379,600, inc., \$1,428,974; loss res., \$1,055,217; unearned prem., \$7,921,708; underwriting gain, \$170,577; investment gain, \$327,776; net income, \$580,926; capital, \$550,000; surplus, \$4,493,819, inc., \$1,286,903.

Inland marine	236,316	211,012
Auto B.I. Liability	82,891	—9,024
Auto PDL	30,224	6,296
Auto phys. dam.	6,733,091	3,553,019
Total	7,082,524	3,761,304

American Fire & Casualty—Assets, \$11,134,710, inc., \$1,129,836; loss res., \$1,827,252; unearned prem., \$3,374,193; underwriting gain, \$16,978; investment gain, \$337,904; net income, \$258,293; capital, \$1,000,000; surplus, \$2,995,229, inc., \$148,505.

Fire	405,034	194,012
Extended Coverage	322,215	73,252
Other allied lines	2,996	1,029
Homeowners multi. peril	39,945	10,840
Inland marine	35,362	17,278
Accident only (indiv.)	1,403	182
Workmen's comp.	440,135	286,173
Liability (not auto) B.I.	393,520	107,248
Auto B.I. Liability	2,241,751	1,107,012
Auto PDL	1,094,932	661,612
Auto phys. dam.	726,554	355,841
Aircraft PHD	33,248	43,645
PDL (not auto)	115,058	47,226
Fidelity	25,947	3,126

	Premiums Earned	Losses Incurred		Premiums Earned	Losses Incurred
Commercial multi. peril	19,061	12,649	Total	18,939,077	10,760,676
Earthquake	52,035	10,355			
Hail (growing crops)	363,739	184,578			
Ocean marine	1,281,010	775,095	American Surety—Assets, \$88,364,040, inc., \$8,155,886; loss res., \$24,082,057; unearned prem., \$32,611,305; underwriting loss, \$3,449,891; investment gain, \$2,705,025; net income, —\$860,083; capital, \$7,500,000; surplus, \$24,323,851, inc., \$3,754,443.		
Inland marine	1,244,758	708,994			
Accident only (indiv.)	120,154	70,409			
A&S (indiv.)	177	—491			
Group A&S	1,337,852	911,858			
Liability (not auto) B.I.	505,715	175,980			
Auto B.I. Liability	1,689,947	1,004,845			
Auto PDL	814,313	539,673			
Auto phys. dam.	2,730,294	1,608,697			
Aircraft PHD	37,237	46,447			
PDL (not auto)	132,488	61,903			
Fidelity	6,467	2,271			
Surety	7,522	1,090			
Glass	26,199	10,916			
Burglary, theft	99,597	42,096			
Boiler, Machinery	9,889	310			

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The Hartford Fire Insurance Company Group has a new member—the Columbian National Life Insurance Company of Boston, Massachusetts.

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Equally important, this broadening of Hartford's facilities offers major benefits to agents and brokers. Now Hartford producers can extend to their clients a full range of well-advertised, Hartford-quality protection—life, fire, casualty and accident and sickness insurance, fidelity and surety bonds.

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3,812,216

	Premiums Earned \$	Losses Incurred \$
Liability (not auto) B.I.	5,429,797	2,409,028
Auto B.I. Liability	10,642,228	7,055,922
Auto PDL	5,182,944	2,831,584
Auto phys. dam.	4,685,682	2,486,996
PDL (not auto)	1,357,698	443,108
Fidelity	3,907,835	1,343,909
Surety	5,063,254	1,403,387
Glass	456,535	193,633
Burglary, theft	1,342,676	601,160
Boiler, Machinery	88	
Total	47,963,371	25,049,586

Bituminous Casualty—Assets, \$51,324,417, inc., \$3,681,176; loss res., \$22,946,463; unearned prem., \$13,340,760; underwriting gain, \$754,620; investment gain, \$1,021,280; net income, \$1,062,040; capital, \$1,000,000; surplus, \$12,132,084, inc., \$1,841,545. (Report on Bituminous Casualty in the March 6 issue, showing an un-

derwriting loss of \$754,620, was in error. The company had an underwriting gain of that amount.)
 Accident only (indiv.) 23,800
 Workmen's comp. 16,671,685
 Liability (not auto) B.I. 2,107,211
 Auto B.I. Liability 2,546,428
 Auto PDL 1,348,344
 Auto phys. dam. 819,578
 PDL (not auto) 986,970
 Retro. Penalty Ins. 16,948
 Total 24,520,864

Boston—Assets, \$87,756,225, inc., \$5,911,690; loss res., \$12,062,262; unearned prem., \$28,945,180; underwriting loss, \$2,446,124; investment gain, \$3,962,384; net income, \$1,301,600; capital, \$5,000,000; surplus, \$38,890,034, inc., \$4,713,227
 Fire 11,659,548

	Premiums Earned \$	Losses Incurred \$
Extended Coverage	3,638,029	1,576,014
Other allied lines	98,692	38,809
Homeowners multi. peril ..	1,411,033	755,288
Commercial multi. peril ..	158,194	78,314
Earthquake	43,400	334
Hall (growing crops)	336,753	157,702
Ocean marine	4,696,442	3,063,401
Inland marine	2,918,092	1,684,701
Accident only (indiv.)	31,700	20,257
A&S (indiv.)	583	—883
Hosp. & med. (indiv.)	149,831	103,091
Group A&S	24,267	19,284
Workmen's comp.	1,631,073	850,101
Liability (not auto) B.I.	1,280,293	525,112
Auto B.I. Liability	4,608,295	2,846,359
Auto PDL	1,997,705	1,189,023
Auto phys. dam.	3,782,876	2,088,206
Aircraft PHD	229,876	116,874
PDL (not auto)	213,496	79,370

	Premiums Earned \$	Losses Incurred \$
Fidelity	100,898	42,230
Surety	197,493	89,180
Glass	127,540	66,105
Burglary, theft	321,399	189,436
Boiler, Machinery	2,258	504
Total	39,659,967	21,734,497

Buckeye Union Casualty—Assets, \$38,955,785, inc., \$4,431,101; loss res., \$9,877,303; unearned prem., \$12,619,927; underwriting gain, \$411,397; investment gain, \$680,506; net income, \$605,435; capital, \$2,000,000; surplus, \$13,492,493, inc., \$1,495,119. (Report on Buckeye Union Casualty in the March 6 issue, showing an underwriting loss of \$411,397 was in error. The company had had an underwriting gain of that amount.)

	Premiums Earned \$	Losses Incurred \$
Accident-Auto	1,316,262	698,429
Liability (not auto) B.I.	2,159,921	805,239
Auto B.I. Liability	6,673,976	3,927,380
Auto PDL	5,005,634	2,728,659
Auto phys. dam.	3,870,167	1,868,831
PDL (not auto)	847,362	268,094
Fidelity	100,931	27,234
Surety	443,834	137,583
Glass	193,881	92,566
Burglary, theft	596,036	257,155
Boiler, Machinery	121,514	10,839
Comprehensive	1,472,364	771,666
Towing	7,226	2,736
Family Protection	87,200	34,880
Total	22,896,308	11,631,391

Camden Fire—Assets, \$46,777,214, inc., \$5,- 885,688; loss res., \$4,816,522; unearned prem., \$19,012,519; underwriting loss, \$691,895; investment gain, \$1,205,773; net income, \$538,845; capital, \$2,500,000; surplus, \$20,780,824, inc., \$3,612,564. (Report on Camden Fire in the March 6 issue, showing an investment loss of \$1,205,773 was in error. The company had an investment gain of that amount.)

	Premiums Earned \$	Losses Incurred \$
Fire	8,185,610	4,823,892
Extended Coverage	3,367,163	1,091,081
Other allied lines	55,278	41,091
Homeowners multi. peril ..	1,226,179	536,926
Commercial multi. peril ..	148,583	140,648
Earthquake	34,504	29
Hall (growing crops)	316,063	163,662
Ocean marine	372,917	204,340
Inland marine	1,858,760	1,024,843
Excess Catastrophe	4,697	71
Accident only (indiv.)	2,558	932
A&S (indiv.)	108	121
Group A&S	2	
Workmen's comp.	165,284	68,022
Liability (not auto) B.I.	264,275	145,864
Auto B.I. Liability	583,119	376,098
Auto PDL	296,466	200,929
Auto phys. dam.	2,207,735	1,288,735
Aircraft PHD	226,551	108,132
PDL (not auto)	53,486	40,460
Fidelity	34,643	19,880
Surety	198,220	105,824
Glass	16,737	7,465
Burglary, theft	60,944	34,246
Boiler, Machinery	34	
Nuclear Energy phys. dam.	481	217
Total	19,679,476	10,423,538

Celina Mutual—Assets, \$10,879,364, inc., \$1,- 049,600; loss res., \$3,174,146; unearned prem., \$3,450,416; underwriting gain, \$98,353; investment gain, \$210,244; net income, \$224,626; surplus, \$3,259,062, inc., \$471,455.

	Premiums Earned \$	Losses Incurred \$
Fire	191,451	109,013
Extended Coverage	98,672	25,537
Other allied lines	113	9
Homeowners multi. peril ..	47,031	9,814
Earthquake	162	
Inland marine	19,486	11,097
Medical	421,946	238,028
Accident only	2,857	
A&S	11,910	4,989
Hosp.	76,943	35,093
Workmen's comp.	5	
Liability (not auto) B.I.	228,491	58,818
Auto B.I. Liability	2,310,650	1,210,760
Auto PDL	1,660,602	923,394
Auto phys. dam.	2,128,591	1,012,672
PDL (not auto)	48,765	22,202
Fidelity	1,498	218
Surety	4,210	—1,500
Glass	47,545	27,980
Burglary, theft	52,799	30,381
Excess of Loss Reinsurance ..	1,563	816
Total	7,355,316	3,719,321

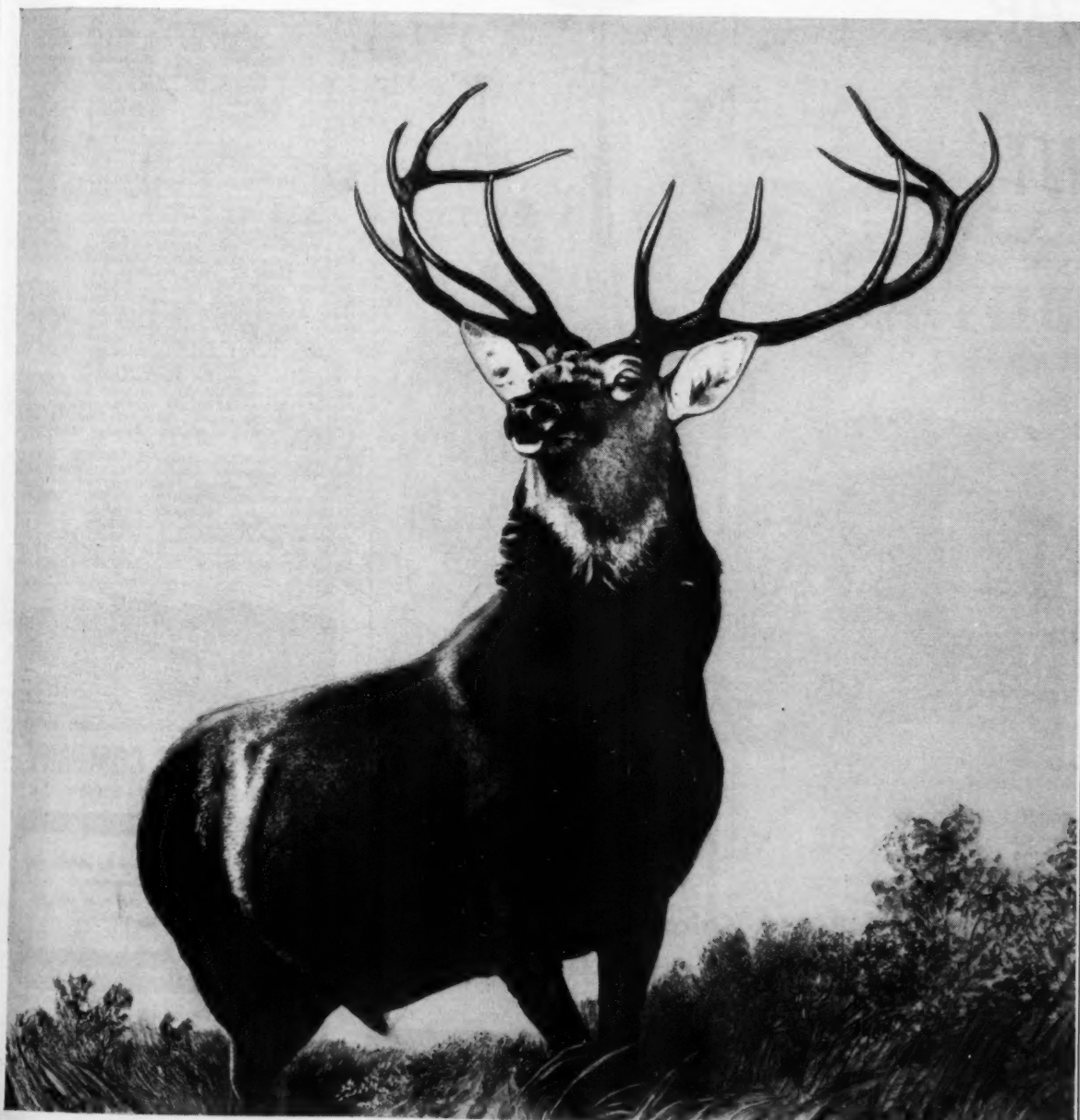
Citizens Mutual Auto—Assets, \$13,328,956, inc., \$785,270; loss res., \$3,207,132; unearned prem., \$6,303,306; underwriting loss, \$176,761; investment gain, \$312,862; net income, —\$7,307; surplus, \$2,855,965, inc., \$399,531.

	Premiums Earned \$	Losses Incurred \$
Fire	268,016	130,739
Extended Coverage	127,669	53,505
Homeowners multi. peril ..	72,656	52,186
Inland marine	6,389	3,859
Workmen's comp.	576,865	453,572
Liability (not auto) B.I.	163,896	20,971
Auto B.I. Liability	3,468,438	1,929,458
Auto PDL	3,161,863	1,847,980
Auto phys. dam.	5,966,454	3,308,687
PDL (not auto)	90,521	29,173
Glass	31,538	14,120
Burglary, theft	37,466	23,707
Auto Medical Payment	889,090	332,985
Other Medical Payment	38,530	17,685
Miscellaneous	21,630	816
Total	14,921,021	8,219,442

Columbia Casualty—Assets, \$23,096,850, decr., \$803,475; loss res., \$4,993,775; unearned prem., \$8,041,462; underwriting loss, \$455,979; investment gain, \$97,199; net income, \$298,965; capital, \$1,000,000; surplus, \$8,591,772, inc., \$2,- 099,855.

	Premiums Earned \$	Losses Incurred \$
Fire	2,456,487	1,370,296
Extended Coverage	889,208	347,544
Other allied lines	16,533	10,104
Homeowners multi. peril ..	22,332	135,519
Commercial multi. peril ..	29,865	33,413
Earthquake	3,515	—11
Inland marine	592,193	308,322
Accident only (indiv.)	82,140	26,852
Health (indiv.)	102,867	59,445
Hosp. & med. (indiv.)	7,016	3,047
Group A&S	4,937	2,174
Workmen's comp.	900,651	394,203
Liability (not auto) B.I.	631,942	247,185

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Premiums Earned			Losses Incurred			Premiums Earned			Losses Incurred			Premiums Earned			Losses Incurred			Premiums Earned			Losses Incurred		
Auto B.I. Liability	1,576,039	814,709	Extended Coverage	1,362,354	435,592	185,973, incr.	\$8,174,316; loss res.	\$9,612,822;	Auto B.I. Liability	2,626,734	1,893,407	Auto B.I. Liability	2,626,734	1,893,407	Auto B.I. Liability	2,626,734	1,893,407	Auto B.I. Liability	2,626,734	1,893,407	Auto B.I. Liability	2,626,734	1,893,407
Auto PDL	870,723	328,825	Other allied lines	4,176	51	unearned prem.,	\$14,134,882; underwriting loss,		Auto PDL	1,117,869	659,432	Auto PDL	1,117,869	659,432	Auto PDL	1,117,869	659,432	Auto PDL	1,117,869	659,432	Auto PDL	1,117,869	659,432
Auto phys. dam.	899,923	502,904	Homeowners multi. peril	69,359	20,742	\$789,589; investment gain,	\$1,144,348; net in-		Auto phys. dam.	1,499,872	801,980	Auto phys. dam.	1,499,872	801,980	Auto phys. dam.	1,499,872	801,980	Auto phys. dam.	1,499,872	801,980	Auto phys. dam.	1,499,872	801,980
Aircraft PHD	41,738	-8,634	Hail (growing crops)	206,177	113,148	come, \$428,732; statutory deposit,	\$500,000; sur-		Aircraft PHD	69,563	-33,237	Aircraft PHD	69,563	-33,237	Aircraft PHD	69,563	-33,237	Aircraft PHD	69,563	-33,237	Aircraft PHD	69,563	-33,237
PDL (not auto)	133,019	40,609	Inland marine	249,468	159,528	plus, \$14,580,728, incr.,	\$2,635,193		PDL (not auto)	221,697	97,394	PDL (not auto)	221,697	97,394	PDL (not auto)	221,697	97,394	PDL (not auto)	221,697	97,394	PDL (not auto)	221,697	97,394
Fidelity	76,499	24,243	Workmen's comp.	1,543,983	893,513	Fire	4,094,147	2,162,039	Fidelity	127,499	63,587	Fidelity	127,499	63,587	Fidelity	127,499	63,587	Fidelity	127,499	63,587	Fidelity	127,499	63,587
Surety	72,466	10,257	Liability (not auto) B.I.	459,539	112,301	Extended Coverage	1,482,014	542,373	Surety	120,778	27,118	Surety	120,778	27,118	Surety	120,778	27,118	Surety	120,778	27,118	Surety	120,778	27,118
Glass	82,260	31,641	Auto B.I. Liability	2,198,213	1,134,974	Other allied lines	37,557	16,504	Glass	137,102	55,772	Glass	137,102	55,772	Glass	137,102	55,772	Glass	137,102	55,772	Glass	137,102	55,772
Burglary, theft	177,097	66,095	Auto PDL	1,165,867	724,033	Homeowners multi. peril	370,053	218,538	Burglary, theft	295,159	121,599	Burglary, theft	295,159	121,599	Burglary, theft	295,159	121,599	Burglary, theft	295,159	121,599	Burglary, theft	295,159	121,599
Boiler, Machinery	525,065	124,228	Auto phys. dam.	1,816,823	940,916	Commercial multi. peril	49,774	54,901	Boiler, Machinery	875,111	267,308	Boiler, Machinery	875,111	267,308	Boiler, Machinery	875,111	267,308	Boiler, Machinery	875,111	267,308	Boiler, Machinery	875,111	267,308
Total	10,194,225	4,862,979	PDL (not auto)	116,266	39,220	Earthquake	5,859	-20	Total	18,994,824	10,328,638	Total	18,994,824	10,328,638	Total	18,994,824	10,328,638	Total	18,994,824	10,328,638	Total	18,994,824	10,328,638
Commercial Standard—Assets,	\$16,018,548,		Fidelity	45,358	16,580	Ocean marine	1,660,214	1,002,137	Commercial Standard—Assets,	\$16,018,548,		Commercial Standard—Assets,	\$16,018,548,		Commercial Standard—Assets,	\$16,018,548,		Commercial Standard—Assets,	\$16,018,548,		Commercial Standard—Assets,	\$16,018,548,	
incr., \$338,074; loss res.,	\$2,499,220; unearned		Surety	115,147	-2,304	Inland marine	1,331,223	496,933	incr., \$338,074; loss res.,	\$2,499,220; unearned		incr., \$338,074; loss res.,	\$2,499,220; unearned		incr., \$338,074; loss res.,	\$2,499,220; unearned		incr., \$338,074; loss res.,	\$2,499,220; unearned		incr., \$338,074; loss res.,	\$2,499,220; unearned	
prem., \$7,831,216; underwriting gain,	\$68,818;		Glass	66,469	29,427	Accident only (indiv.)	136,901	54,620	prem., \$7,831,216; underwriting gain,	\$68,818;		prem., \$7,831,216; underwriting gain,	\$68,818;		prem., \$7,831,216; underwriting gain,	\$68,818;		prem., \$7,831,216; underwriting gain,	\$68,818;		prem., \$7,831,216; underwriting gain,	\$68,818;	
investment gain, \$338,904; net income,	\$399,-		Burglary, theft	88,554	40,512	A&S (indiv.)	171,445	109,450	investment gain, \$338,904; net income,	\$399,-		investment gain, \$338,904; net income,	\$399,-		investment gain, \$338,904; net income,	\$399,-		investment gain, \$338,904; net income,	\$399,-		investment gain, \$338,904; net income,	\$399,-	
136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,		Title	319,485	13,603	Hosp. & med. (indiv.)	11,693	5,434	136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,		136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,		136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,		136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,		136; capital, \$1,100,000; surplus,	\$4,374,083, incr.,	
\$361,342.			Total	11,214,045	5,501,537	Group A&S	8,228	3,950	\$361,342.			\$361,342.			\$361,342.			\$361,342.			\$361,342.		
Fire	1,386,517	829,699	Commercial Union, England—Assets,	\$41,-		Workmen's comp.	1,501,085	1,075,368	Fire	1,386,517	829,699	Fire	1,386,517	829,699	Fire	1,386,517	829,699	Fire	1,386,517	829,699	Fire	1,386,517	829,699
			Liability (not auto) B.I.	1,053,236		Liability (not auto) B.I.	1,053,236	632,032															

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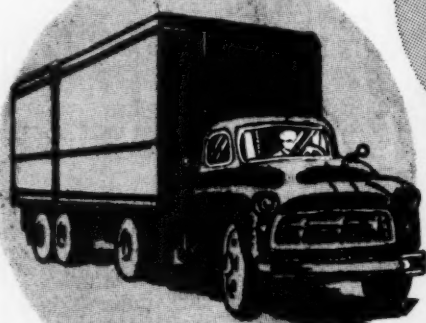
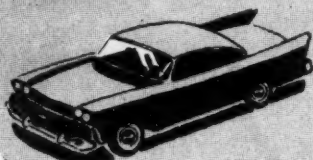
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Continental Casualty—Assets, \$419,496,251, incr., \$63,994,592; loss res., \$121,972,146; unearned prem., \$82,147,001; underwriting gain, \$6,395,576; investment gain, \$10,186,864; net income, \$12,008,113; capital, \$14,587,975; surplus, \$192,858,374, incr., \$46,084,167.

Fire	6,627,607	4,098,547
Extended Coverage	2,876,617	1,437,509
Other allied lines	338,678	7,095
Homeowners multi. peril	791,579	440,030
Commercial multi. peril	8,574	-4,544
Earthquake	28,202	134
Hail (growing crops)	1,885,962	1,083,335
Ocean marine	315,290	250,431
Inland marine	2,318,266	1,448,571
Accident only (indiv.)	11,711,264	4,073,181
A&S (indiv.)	26,173,514	11,223,413
Hosp. & med. (indiv.)	23,887,352	11,523,146
Group A&S	72,942,132	53,098,070
Non-can A&S	470,366	173,466
Workmen's comp.	21,901,193	13,730,241
Liability (not auto) B.I.	12,361,328	8,084,738
Auto B.I. Liability	25,350,590	19,559,734
Auto PDL	12,159,038	8,066,084
Auto phys. dam.	8,502,847	4,407,221
Aircraft PHD	92,297	50,754
PDL (not auto)	3,766,478	1,995,906
Fidelity	1,388,640	801,491
Surety	5,053,478	1,523,396
Glass	457,427	239,891
Burglary, theft	1,507,698	816,498
Boiler, Machinery	50,172	6,449
Total	242,964,501	148,134,873

Craftsman—Assets, \$2,591,715, decr., \$242,757; loss res., \$659,595; unearned prem., \$509,517; underwriting loss, \$70,580; capital, \$400,000; \$69,507; net income, \$70,580; capital, \$400,000; surplus, \$1,039,233, incr., \$54,580.

Accident only (indiv.)	113,684	108,385
A&S (indiv.)	1,714,291	889,231
Hosp. & med. (indiv.)	3,510,129	1,861,140
Group A&S	772,552	707,579
Non-can A&S	11,614	3,950
Total	6,122,260	3,570,285

Employers Casualty, Dallas—Assets, \$30,627,651, incr., \$1,883,719; loss res., \$8,617,796; unearned prem., \$12,087,298; underwriting gain, \$876; investment gain, \$626,677; net income, \$722,375; capital, \$1,500,000; surplus, \$6,903,655, incr., \$557,526.

Fire	1,077,003	627,411
Extended Coverage	641,129	168,089
Other allied lines	2,552	2,274
Homeowners multi. peril	143,856	57,860
Earthquake	1,616	
Inland marine	320,305	228,287
Accident only (indiv.)	44,271	17,856
A&S (indiv.)	21,647	11,710
Hosp. & med. (indiv.)	496,891	274,096

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Dues
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Premiums
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Group A&S	1,043,423	930,184
Workmen's comp.	2,123,958	1,548,417
Liability (not auto) B.I.	2,475,680	1,251,015
Auto B.I. Liability	2,042,551	3,372,085
Auto PDL	2,532,220	1,483,610
Auto phys. dam.	3,559,561	1,788,451
PDL (not auto)	784,613	327,000
Misc. bonds	8,634	3,868
Glass	55,441	30,762
Burglary, theft	205,554	108,421
Other	154,752	65,653
Total	20,765,665	12,312,978

Employers Mutual Fire—Assets, \$13,054,856, inc., \$1,291,359; loss res., \$834,944; unearned prem., \$4,857,361; underwriting gain, \$1,533,889; investment gain, \$290,067; net income, \$1,777,345; surplus, \$6,474,963, inc., \$1,109,892. (Report on Employers Mutual Fire in the March 6 issue was in error. The correct figures have been substituted.)

Fire	1,687,920	436,213
Extended Coverage	621,304	141,069
Other allied lines	5,117	20,266
Homeowners multi. peril	436,826	132,588
Commercial multi. peril	10,799	3,168
Earthquake	932	
Inland marine	585,439	230,588
Auto phys. dam.	3,654,933	1,873,582
Aircraft PHD	3	820
Excess of loss	5,939	103,856
Total	7,009,212	2,940,830

General Reinsurance—Assets, \$143,240,160, inc., \$16,540,178; loss res., \$40,148,113; unearned prem., \$33,574,131; underwriting gain, \$1,193,891; investment gain, \$3,933,010; net income, \$3,926,685; capital, \$7,260,000; surplus, \$51,010,668, inc., \$10,435,067.

Fire	6,855,857	3,656,731
Extended Coverage	3,143,969	890,228
Other allied lines	90,461	25,648
Homeowners multi. peril	1,143,734	263,518
Commercial multi. peril	115,958	88,829
Earthquake	45,633	295
Hail (growing crops)	1,545,149	1,094,562
Ocean marine	1,988,128	1,694,210
Inland marine	989,316	616,967
Accident only (indiv.)	718,283	282,773
A&S (indiv.)	329,888	115,335
Hosp. & med. (indiv.)	415,439	309,331
Group A&S	281,867	113,736
Workmen's comp.	1,612,014	253,236
Liability (not auto) B.I.	2,457,862	1,971,227
Auto B.I. Liability	8,946,213	5,812,946
Auto PDL	1,815,880	1,327,762
Auto phys. dam.	3,197,682	1,227,627
Aircraft PHD	666,410	421,422
PDL (not auto)	546,677	424,790
Fidelity	1,654,388	552,814
Surety	5,830,643	1,372,429
Glass	57,414	995
Burglary, theft	436,589	77,033
Boiler, Machinery	462,975	69,495
Credit	571,437	173,051
Total	45,931,805	21,746,695

Great Central, Peoria—Assets, \$3,246,051, inc., \$357,134; loss res., \$772,261; unearned prem., \$1,303,320; underwriting gain, \$494,443; investment gain, \$134,272; net income, \$387,019; capital, \$1,000,000; surplus, \$950,791, dec., \$183,046.		
Fire	135,597	80,292
Extended Coverage	52,741	12,429
Homeowners multi. peril	787	110
Liability (not auto) B.I.	409,709	136,123
Auto B.I. Liability	4	
Auto PDL	2	
PDL (not auto)	299,316	149,017
Fidelity	43,255	30,846
Medical Payments	111,028	29,331
Glass	6,765	664
Burglary, theft	6,784,275	2,984,437
Total	7,843,479	3,423,179

Frontier Casualty—Assets, \$9,235,089, inc., \$939,805; loss res., \$2,265,431, unearned prem., \$2,291,888; underwriting loss, \$30,496; investment gain, \$223,866; net income, \$196,721; capital, \$500,000; surplus, \$3,815,697, inc., \$774,926.		
A&S (indiv.)	3,453,986	1,973,736
Group A&S	2,439,357	1,184,930
Liability (not auto) B.I.	96,065	20,285
Auto B.I. Liability	1,068,512	387,312
Auto PDL	748,302	354,878
Auto phys. dam.	1,135,213	463,400
PDL (not auto)	25,466	3,574
Glass	12,755	6,399
Auto medical	189,173	100,873
Other medical	16,308	6,311
Total	9,185,141	3,501,701

Industrial Indemnity—Assets, \$46,780,675, inc., \$3,829,188; loss res., \$26,028,547; unearned prem., \$6,820,443; underwriting gain, \$35,579; investment gain, \$979,310; net income, \$1,554,835; capital, \$1,118,550; surplus, \$9,837,522, inc., \$748,662.		
Fire	333,339	171,524
Extended Coverage	59,892	56,377
Other allied lines	936	994
Homeowners multi. peril	254,713	174,397
Commercial multi. peril	178,440	78,838
Earthquake	11,802	
Ocean marine	149,354	93,191
Inland marine	86,105	59,445
Workmen's comp.	25,655,435	16,370,455
Liability (not auto) B.I.	1,094,032	584,424
Auto B.I. Liability	1,502,389	913,862
Auto PDL	706,216	394,054
Auto phys. dam.	911,003	406,954
PDL (not auto)	495,983	253,785
Fidelity	27,325	6,456
Surety	129,917	42,007
Glass	25,864	13,566
Burglary, theft	22,446	11,573
Total	31,055,113	19,640,959

State of Pennsylvania—Assets, \$17,253,549, inc., \$2,889,190; loss res., \$1,986,645; unearned prem., \$4,554,504; underwriting loss, \$616,663; investment gain, \$953,309; net income, \$310,132; capital, \$1,200,000; surplus, \$8,172,348; inc., \$1,878,134.		
Fire	1,876,116	1,135,810
Extended Coverage	679,494	277,207
Other allied lines	69,496	36,462
Homeowners multi. peril	177,063	34,159

Commercial multi. peril	6,353	4,216
Earthquake	17,345	3,451
Hail (growing crops)	121,246	61,526
Ocean marine	427,003	307,634
Inland marine	414,919	236,331
Accident only (indiv.)	40,051	23,469
A&S (indiv.)	59	
Group A&S	34	-163
Workmen's comp.	445,950	303,852
Liability (not auto) B.I.	189,571	58,660
Auto B.I. Liability	563,315	334,948
Auto PDL	271,437	179,891
Auto phys. dam.	910,098	536,232
Aircraft PHD	12,412	15,482
PDL (not auto)	44,162	20,634
Fidelity	2,155	767
Surety	2,507	363
Glass	8,733	3,638
Burglary, theft	33,199	14,032
Boiler, Machinery	2,286	103
Total	6,313,025	3,638,823

International Service—Assets, \$10,284,035, inc., \$1,388,219; loss res., \$1,876,279; unearned prem., \$4,356,326; underwriting gain, \$329,463; investment gain, \$228,209; net income, \$539,232; capital, \$1,000,000; surplus, \$2,851,140, inc., \$759,384.

Extended Coverage	163,050	49,845
Other allied lines	109,536	40,822
Homeowners multi. peril	9,868	2,466
Ocean marine	3,765	569
Inland marine	6,245	1,998
Workmen's comp.	3,734	1,138
Liability (not auto) B.I.	671,209	426,189
Auto B.I. Liability	96,277	68,938
Auto PDL	2,189,772	1,352,992
Auto phys. dam.	1,361,772	809,021
PDL (not auto)	2,638,616	1,288,647
Fidelity	40,172	16,024
Surety	320	
Glass	638	
Burglary, theft	6,158	2,526
Total	7,299,672	4,041,305

Manhattan Casualty—Assets, \$12,225,789, inc., \$3,383,916; loss res., \$4,610,963; unearned prem., \$3,718,463; underwriting loss, \$1,076,768; investment gain, \$281,525; net income, -\$795,242; capital, \$1,150,000; surplus, \$3,025,270, inc., \$704,015.		
A&S (indiv.)	98,100	42,305
Hosp. & med. (indiv.)	578,127	154,182
Group A&S	91,454	40,755
Workmen's comp.	488,680	242,889
Liability (not auto) B.I.	368,087	346,607
Auto B.I. Liability	2,761,927	1,797,184
Auto PDL	680,798	352,671
Auto phys. dam.	19,908	15,001
PDL (not auto)	36,664	13,267
Glass	14,839	4,303
Burglary, theft	11,161	2,216
N.Y. Stat. B.I.	202,407	146,074
N.Y. Stat. P.D.	40,481	-3,529
Total	5,993,639	3,153,929

Massachusetts Bonding—Assets, \$73,508,534, inc., \$4,234,385; loss res., \$31,257,371; unearned prem., \$17,138,663; underwriting loss, \$4,888,650; investment gain, \$1,976,939; net income, -\$2,878,468; capital, \$2,500,000; surplus, \$19,379,126, dec., \$420,667.		
Fire	753,851	427,633
Extended Coverage	395,784	68,055
Other allied lines	6,422	2,430
Homeowners multi. peril	160,319	80,851
Commercial multi. peril	281	
Earthquake	5,083	29
Ocean marine	24,607	8,657
Inland marine	186,486	108,253
Accident only (indiv.)	294,548	75,802
A&S (indiv.)	1,983,030	1,031,579
Hosp. & med. (indiv.)	506,450	248,525
Group A&S	1,324,026	1,076,190
Workmen's comp.	5,711,383	3,765,089
Liability (not auto) B.I.	4,375,015	2,645,898
Auto B.I. Liability	11,035,253	9,777,812
Auto PDL	4,595,045	2,334,102
Auto phys. dam.	2,259,902	1,209,627
Aircraft PHD	205,349	98,888
PDL (not auto)	851,183	293,394
Fidelity	1,032,027	372,116
Surety	2,297,628	543,694
Glass	363,440	153,821
Burglary, theft	976,681	488,627
Boiler, Machinery	4,515	
Total	39,259,759	24,806,962

Merchants Mutual, Buffalo—Assets, \$34,722,341, inc., \$4,121,259; loss res., \$15,464,947; unearned prem., \$9,721,797; underwriting loss, \$46,907; investment gain, \$728,151; net income, \$523,127; surplus, \$5,716,834, inc., \$164,479.		
Fire	50,571	36,374
Extended Coverage	22,235	92
Other allied lines	44,317	15,987
Homeowners multi. peril	313	
Inland marine	484,017	219,526
Accident only (indiv.)	123,238	81,207
Group A&S	2,398,552	1,161,219
Liability (not auto) B.I.	1,479,596	573,756
Auto B.I. Liability	12,809,768	7,894,923
Auto PDL	4,483,138	2,857,784
Auto phys. dam.	1,681,665	1,100,798
PDL (not auto)	198,455	104,397
Glass	96,119	39,765
Burglary, theft	77	
Total	24,073,713	13,890,534

Merchants Mutual, Buffalo—Assets, \$34,722,341, inc., \$4,411,259; loss res., \$15,464,947; unearned prem., \$9,721,797; underwriting gain, \$1,338,738; investment gain, \$729,151; net income, \$323,127; surplus, \$5,716,834, inc., \$164,479.		
Fire	50,571	36,387
Extended Coverage	22,233	4,613
Other allied lines	651	3
Homeowners multi. peril ..	44,317	15,582
Inland marine	313	
Accident only (individual) ..	484,017	219,52
Group &S	1,000	
Truckers' comp.	2,398,552	1,161,21
Liability (not auto) B.I.	1,479,596	573,75
Auto B.I. Liability	12,809,768	7,894,92

Current
\$

174,101
635,911
1,038,638
648,928
403,692
390,955
399,050
693,500

691,790

556,786

887,231

540

116,273

536,530

452,042

15,673

116,273

136,109

136,900

409,382

897,437

9,094

4,780

682,643

750,183

630,682

20,120

387,586

20,854

184

112,926

615,501

1,114

130,183

136,109

166,501

50,460

632,970

22,133

1,300

3,700

413

5,570,394

decr.

unearned

\$105,800

\$1,306

\$4,590,746

2,283,827

	Premiums Earned \$	Losses Incurred \$
Extended Coverage	1,482,014	579,238
Other allied lines	27,557	16,841
Homeowners multi. peril	370,052	220,866
Commercial multi. peril	49,774	55,689
Earthquake	5,859	—17
Inland marine	986,988	513,869
Accident only (individ.)	136,901	43,628
Health (individ.)	171,445	97,887
Hosp. & med. (individ.)	11,693	5,037
Group A&S	8,228	3,585
Workmen's comp.	1,501,084	590,621
Liability (not auto) B.I.	1,053,237	386,823
Auto B.I. Liability	2,626,733	1,296,638
Auto PDL	1,117,869	535,229
Auto phys. dam.	1,499,873	838,155
Aircraft PHD	69,563	—14,480
PDL (not auto)	221,697	64,285
Fidelity	127,499	37,525
Surety	120,778	15,948
Glass	137,102	52,390
Burglary	295,159	106,838
Boiler, Machinery	875,111	189,064
Total	16,990,376	7,938,494

Old Colony—Assets, \$28,449,973, incr., \$1,235,472; loss res., \$5,169,541; unearned prem., \$12,405,077; underwriting loss, \$1,044,381; investment gain, \$1,054,183; net income, —\$1,447; capital, \$2,000,000; surplus, \$9,752,448, incr., \$842,261.

Fire	4,996,949	2,638,184
Extended Coverage	1,559,155	875,434
Other allied lines	42,382	16,832
Homeowners multi. peril	604,728	323,695
Commercial multi. peril	67,793	35,563
Earthquake	18,600	143
Hall (growing crops)	144,323	67,586
Ocean marine	2,012,761	1,312,886
Inland marine	1,250,611	722,015
Accident only (individ.)	13,585	8,681
A&S (individ.)	249	—78
Hosp. & med. (individ.)	64,213	44,182
Group A&S	10,400	8,264
Workmen's comp.	699,031	364,329
Liability (not auto) B.I.	548,697	225,048
Auto B.I. Liability	1,974,983	1,219,868
Auto PDL	856,159	509,581
Auto phys. dam.	1,621,232	894,945
Aircraft PHD	98,518	50,069
PDL (not auto)	91,498	34,015
Fidelity	43,242	18,098
Surety	84,639	38,220
Glass	54,660	28,292
Burglary, theft	137,742	81,187
Boiler, Machinery	968	216
Total	16,997,128	9,314,794

Pacific Automobile—Assets, \$9,419,411, incr., \$1,492,328; loss res., \$3,224,691; unearned prem., \$3,209,584; underwriting gain, \$108,664; investment gain, \$143,480; net income, \$162,144; capital, \$300,000; surplus, \$3,189,992, incr., \$208,765.

Workmen's comp.	1,096,039	584,439
Liability (not auto) B.I.	432,985	106,801
Auto B.I. Liability	2,338,061	1,267,346
Auto PDL	1,081,762	640,109
Auto phys. dam.	1,579,741	792,409
PDL (not auto)	123,706	86,530
Total	6,652,294	3,477,634

Pacific Indemnity—Assets, \$61,646,384, incr., \$3,241,390; loss res., \$21,855,308; unearned prem., \$16,541,907; underwriting loss, \$1,636,143; investment gain, \$1,399,231; net income, —\$185,354; capital, \$2,400,000; surplus, \$16,677,480, incr., \$1,493,120.

Fire	1,182,733	673,080
Extended Coverage	502,381	252,263
Other allied lines	3,025	772
Homeowners multi. peril	245,411	158,475
Commercial multi. peril	45,329	28,850
Earthquake	19,030	—74
Inland marine	307,643	239,540
Workmen's comp.	6,909,568	4,418,677
Liability (not auto) B.I.	4,244,697	1,816,555
Auto B.I. Liability	9,004,034	5,713,906
Auto PDL	4,335,765	2,512,469
Auto phys. dam.	5,747,969	3,012,752
PDL (not auto)	1,121,029	480,613
Fidelity	227,703	142,753
Surety	725,535	124,307
Glass	173,510	92,928
Burglary, theft	286,542	159,576
Boiler, Machinery	809,217	165,917
Total	35,691,121	19,992,931

Pearl—Assets, \$25,454,894, incr., \$1,437,063; loss res., \$2,739,695; unearned prem., \$10,969,085; underwriting loss, \$805,832; investment gain, \$904,507; net income, \$312,964; deposit capital, \$500,000; surplus, \$10,347,379, incr., \$2,414,313.

Fire	5,445,287	2,936,656
Extended Coverage	2,244,272	864,962
Other allied lines	27,041	8,059

Premiums
Earned
\$

Losses
Incurred
\$

Homeowners multi. peril	634,803	343,834
Commercial multi. peril	23,882	11,241
Earthquake	27,137	2
Hall (growing crops)	50,657	23,812
Inland marine	689,824	392,722
Prop. Ins. NOC	65,223	30,673
Workmen's comp.	2,224	607
Liability (not auto) B.I.	119,877	82,792
Auto B.I. Liability	553,532	447,980
Auto PDL	196,269	154,712
Auto phys. dam.	1,923,907	1,242,615
PDL (not auto)	5,912	420
Glass	23,831	9,426
Burglary, theft	40,077	20,121
Total	12,086,764	6,570,643

Preferred, Grand Rapids—Assets, \$5,926,697, decr., \$913,409; loss res., \$1,792,758; unearned prem., \$2,445,616; underwriting loss, \$299,918;

Premiums
Earned
\$

Losses
Incurred
\$

Investment gain, \$367,626; net income, \$74,991; capital, \$1,000,000; surplus, \$1,324,192, incr., \$22,775.		
Fire	73,829	42,598
Extended Coverage	49,627	16,021
Other allied lines	103	
Homeowners multi. peril	7,685	3,326
Inland marine	38,109	33,846
Workmen's comp.	102,852	59,206
Liability (not auto) B.I.	151,302	49,054
Auto B.I. Liability	1,324,689	995,235
Auto PDL	869,336	452,680
Auto phys. dam.	1,793,627	784,091
PDL (not auto)	33,558	8,142
Glass	23,445	13,082
Burglary, theft	17,744	10,551
Total	4,486,120	2,467,832

Public Service Mutual—Assets, \$31,109,939,

Premiums
Earned
\$

Losses
Incurred
\$

incr., \$4,771,909; loss res., \$15,944,917; unearned prem., \$6,516,974; underwriting loss, \$934,662; investment gain, \$824,752; net income, —\$332,484; surplus, \$5,207,120, incr., \$528,692.		
Fire	306,723	220,693
Extended Coverage	133,729	19,198
Other allied lines	17,826	34,082
Homeowners multi. peril	37,335	31,115
Health Disability Benefits	241,497	128,643
Group A&S	22,492	16,686
Workmen's comp.	368,734	244,696
Liability (not auto) B.I.	3,810,121	1,952,722
Auto B.I. Liability	4,315,199	3,088,130
Auto PDL	1,338,640	965,022
Auto phys. dam.	387,328	252,099
PDL (not auto)	219,538	125,442
Surety	455,653	3,806
N.Y. Stat. Auto Lab.	812,746	425,953

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	Premiums Earned	Losses Incurred
N.Y. Stat. Auto P.D.	162,558	64,173
N.Y. Workmen's Comp.	2,358,649	1,589,078
Total	14,988,703	9,161,745

Safeco—Assets, \$31,657,889, incr., \$8,357,154; loss res., \$10,599,818; unearned prem., \$7,939,420; underwriting gain, \$4,157,689; investment gain, \$680,217; net income, \$2,653,906; capital, \$1,090,000; surplus, \$8,602,112, incr., \$2,657,170. Liability (not auto) B.I. 241,180 85,593 Auto B.I. Liability 12,330,291 6,311,614 Auto PDL 5,189,132 2,616,237 Auto phys. dam. 9,380,935 4,309,340 Total 27,141,538 13,322,784		
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Security Mutual, N.Y.—Assets, \$21,313,702, incr., \$2,957,546; loss res., \$9,373,619; unearned prem., \$5,438,172; underwriting gain, \$1,154,488; investment gain, \$432,094; net income, \$1,458,033; surplus, \$3,749,137, incr., \$590,433.		
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	Premiums Earned	Losses Incurred
Fire	43,107	31,445
Extended Coverage	18,281	2,234
Other allied lines	560	21
Group A&S	1,933	560
Workmen's comp. (other)	607,624	451,752
Workmen's comp. (N.Y.)	2,743,535	1,377,105
Liability (not auto) B.I.	6,055,737	2,509,741
Auto B.I. Liability	611,616	374,022
Auto PDL	219,494	118,344
Auto phys. dam.	9,963	1,202
PDL (not auto)	279,360	102,209
Burglary, theft	6,156	1,195
Disability Benefits	92,925	58,547
Excess loss reins.	20,124	20,184
Total	10,710,441	5,048,567

Texas Employers—Assets, \$29,408,194, incr., \$2,233,900; loss res., \$12,926,490; unearned prem., \$3,216,003; underwriting gain, \$2,375,164; investment gain, \$606,418; net income, \$2,164,533; surplus, \$3,749,137, incr., \$590,433.		
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765,361; surplus, \$9,167,980, incr., \$829,880.		
Workmen's comp.	25,919,435	16,753,036
Transit Casualty—Assets, \$17,117,724, incr., \$1,610,792; loss res., \$5,779,837; unearned prem., \$3,851,758; underwriting gain, \$38,037; investment gain, \$412,270; net income, \$390,455; capital, \$1,000,000; surplus, \$4,698,557, incr., \$1,192,595.		
Fire	85,010	26,023
Extended Coverage	88,389	17,035
Other allied lines	745	49
Homeowners multi. peril	14,451	5,124
Commercial multi. peril	266	7
Earthquake	246	747
Inland marine	3,950	202,234
Workmen's comp.	341,385	332,265
Liability (not auto) B.I.	885,253	2,480,424
Auto B.I. Liability	4,700,028	441,418
Auto PDL	886,025	210,334
Auto phys. dam.	210,334	99,903

	Premiums Earned	Losses Incurred
PDL (not auto)	156,331	31,987
Surety	9,510	149
Glass	149	728
Burglary, theft	1,300	728
Total	7,383,381	3,857,948

Transport Indemnity—Assets, \$16,551,354, incr., \$3,337,049; loss res., \$6,598,604; unearned prem., \$1,105,536; underwriting gain, \$1,277,106; investment gain, \$299,957; net income, \$1,374,430; capital, \$1,523,360; surplus, \$3,812,295, incr., \$1,080,228.		
Fire	26,943	5,145
Extended Coverage	2,466	268
Other allied lines	86	—
Earthquake	627	—
Inland marine	607,143	212,618
Workmen's comp.	2,574,869	1,491,348
Liability (not auto) B.I.	2,574,869	4,408
Auto B.I. Liability	3,369,230	2,695,348
Auto PDL	1,786,425	537,918
Auto phys. dam.	853,248	425,832
PDL (not auto)	69,980	11,221
Total	9,355,976	5,444,501

Travelers Indemnity—Assets, \$485,817,969, incr., \$111,448,173; loss res., \$96,962,917; unearned prem., \$243,475,010; underwriting loss, \$13,630,507; investment gain, \$9,063,320; net income, \$2,368,320; capital, \$10,000,000; surplus, \$118,139,930, incr., \$28,899,926.		
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Fire	27,086,267	13,247,681
Extended Coverage	10,817,103	4,294,992
Other allied lines	145,203	45,910
Homeowners multi. peril	7,968,374	3,846,848
Commercial multi. peril	286,531	115,187
Earthquake	11,408	26
Hail (growing crops)	643,397	423,518
Ocean marine	933,972	518,895
Inland marine	9,092,761	4,297,929
Workmen's comp.	9,112,422	7,041,441
Liability (not auto) B.I.	9,463,422	4,865,638
Auto B.I. Liability	31,094,942	37,705,310
Auto PDL	53,356,248	30,764,953
Auto phys. dam.	59,759,978	34,708,582
Aircraft PHD	382,249	179,097
PDL (not auto)	11,328,918	5,471,116
Fidelity	3,672,307	1,532,391
Surety	6,429,574	826,658
Glass	1,790,619	868,200
Burglary, theft	7,226,431	3,451,887
Boiler, Machinery	8,403,629	2,925,201
Total	279,007,764	157,231,480

Travelers—Assets, \$3,072,853,606, incr., \$114,057,347; loss res., \$293,248,799; unearned prem., \$96,019,195; underwriting gain, \$4,609,766; investment gain, \$18,469,679; net income, \$14,111,725; capital, \$50,000,000; surplus, \$352,687,013, incr., \$30,208,349.		
Accident only (individ.)	19,008,831	7,282,885
Health (individ.)	4,370,346	1,599,599
Hosp. & med. (individ.)	5,332,153	3,056,240
Group A&S	242,202,253	217,810,141
Non-can. A&S	25,438	45,860
Workmen's comp.	89,720,144	61,462,445
Liability (not auto) B.I.	35,135,468	18,526,235
Auto B.I. Liability	78,734,180	58,347,755
Total	474,528,816	368,039,442

United Fire & Casualty—Assets, \$4,274,997, incr., \$182,743; loss res., \$948,719; unearned prem., \$1,262,960; underwriting gain, \$13,525; investment gain, \$81,707; net income, \$96,706; capital, \$900,000; surplus, \$1,457,956, incr., \$60,682.		
Fire	178,557	61,349
Extended Coverage	155,801	54,309
Other allied lines	977	63
Homeowners multi. peril	20,075	7,477
Inland marine	15,064	7,488
Workmen's comp.	491,630	250,774
Liability (not auto) B.I.	145,612	41,557
Auto B.I. Liability	674,206	358,317
Auto PDL	496,087	276,613
Auto phys. dam.	807,742	415,721
PDL (not auto)	74,684	21,455
Fidelity	5,642	609
Surety	66,093	4,973
Glass	6,065	2,604
Burglary, theft	11,248	5,743
Medical Payment	167,597	92,483
Cargo	21,529	1,029
Total	3,338,616	1,602,569

United States Casualty—Assets, \$48,114,688, incr., \$173,010; loss res., \$21,985,128; unearned prem., \$11,536,296; underwriting loss, \$1,212,377; investment gain, \$1,080,971; net income, -\$121,418; capital, \$2,000,000; surplus, \$11,104,953, incr., \$1,742,455.		
--	--	--

Fire	648,479	339,147
Extended Coverage	333,280	79,890
Other allied lines	5,091	1,291
Homeowners multi. peril	113,587	80,929
Commercial multi. peril	7,353	4,314
Earthquake	2,398	13
Ocean marine	306,971	188,092
Inland marine	276,021	159,146
Accident only (individ.)	71,330	23,841
Health (individ.)	14,783	8,964
Group A&S	156,481	95,787
Workmen's comp.	6,046,134	3,750,089
Liability (not auto) B.I.	3,975,544	1,959,066
Auto B.I. Liability	7,328,673	5,113,914
Auto PDL	2,977,331	1,706,063
Auto phys. dam.	1,863,745	1,029,849
Aircraft PHD	112,357	54,298
PDL (not auto)	725,660	246,376
Fidelity	215,822	178,739
Surety	1,008,063	797,220
Glass	296,638	135,016
Burglary, theft	565,223	268,490
Boiler, Machinery	46	—
Total	27,111,023	16,220,549

The Olofson Co. and the C. H. Hayes Co., independent adjusters, have merged. The Hayes Co. has headquarters at Billings, Mont., while the main office of Olofson is at Minneapolis. The Montana offices of both organizations will operate as Olofson Co. with Jerome O'Donnell, who handled major losses for the Hayes Co., as general adjuster.

Forty-second Annual Statement

December 31, 1958



AMERICAN RE-INSURANCE COMPANY

EDWARD L. MULVEHILL, President

ASSETS

Cash in Banks and Office	\$ 5,576,095
United States Government Bonds	26,359,613
United States Government New Housing Authority Bonds	11,002,601
State and Municipal Bonds	33,050,005
Other Bonds	996,696
Preferred Stocks	1,589,000
Common Stocks	22,986,507
Real Estate	317,003
Mortgage Loans	27,275
Premiums in Course of Collection (not over 90 days due)	4,278,698
Accrued Interest	551,199
Other Admitted Assets	295,202

TOTAL ADMITTED ASSETS \$106,429,894

LIABILITIES AND SURPLUS TO POLICYHOLDERS

Reserve for Outstanding Losses	\$ 36,353,214
Reserve for Unearned Premiums	30,275,598
Reserve for Funds Held Under Reinsurance Treaties	2,288,508
Reserve for Commissions, Taxes and Other Liabilities	4,989,446
Reserve for Loss Balances in Course of Payment	1,285,469

TOTAL LIABILITIES \$ 75,192,235

Capital (800,000 shares \$5 par value)	\$ 4,000,000
Voluntary Reserve	4,000,000
Net Surplus	23,237,659

SURPLUS TO POLICYHOLDERS 31,237,659

\$106,429,894

Valuation of securities on National Association of Insurance Commissioners basis. On basis of actual market values at December 31, 1958 Total Admitted Assets would be \$103,079,386 and Surplus to Policyholders would be \$27,867,151. Securities carried at \$1,677,604 in the above statement are deposited as required by law. The sum \$2,224,285 held in trust for the payment of certain losses is included in "Cash" and reflected in "Reserves for Funds Held Under Reinsurance Treaties."

MULTIPLE LINE REINSURANCE

CASUALTY • FIDELITY • SURETY • FIRE • MARINE • ALLIED LINES

99 John Street, New York 38, New York

GENERAL FIRE AND CASUALTY COMPANY



A Stock Company

ANNUAL FINANCIAL STATEMENT

December 31, 1958

ADMITTED ASSETS

Cash on Hand and in Banks	\$ 2,356,948.97
Bonds	19,585,830.17*
Stocks	1,447,515.00**
Accrued Interest	124,848.17
Premiums in Course of Collection (Under 90 Days)	1,334,586.89
Other Admitted Assets	4,314.65
TOTAL	<u>\$24,854,043.85</u>

LIABILITIES

Reserve for Losses and Loss Expense	\$15,684,315.37
Reserve for Unearned Premiums	3,529,347.01
Reserve for All Other Liabilities	481,394.49
Capital	\$1,200,000.00
Surplus	3,958,986.98
Surplus to Policyholders	5,158,986.98
TOTAL	<u>\$24,854,043.85</u>

* Amortized value.

Bonds carried at \$436,012.65 in the above statement are deposited as required by law.

** Market value.

Home Office

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Chicago 6, Ill.

NEWARK

Raymond Commerce Bldg.
Newark 2, N. J.

PHILADELPHIA

Mall Bldg., Chestnut & 4th Sts.
Philadelphia 6, Pa.

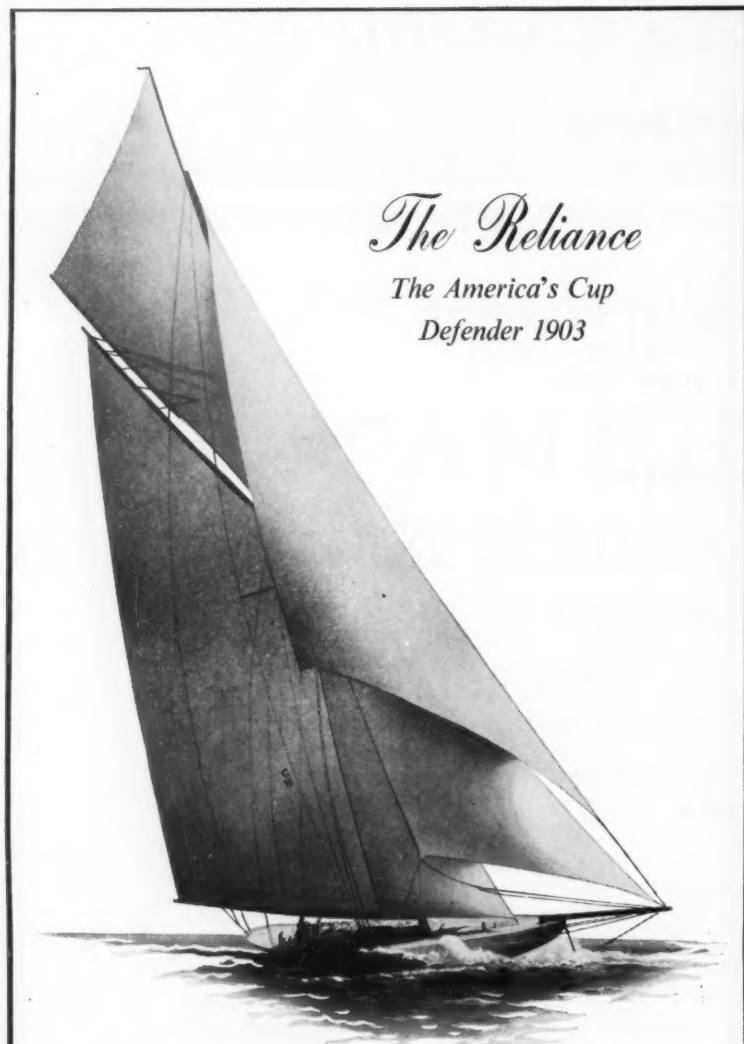
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Conventions

March 23-25, National Assn. of Independent Insurers, workshop, Shamrock-Hilton Hotel, Houston.

March 23-25, National Assn. of Mutual Insurance Agents, midyear, Hollywood Beach Hotel, Hollywood, Fla.

March 25-27, Pacific Insurance & Surety Conference, annual, Santa Barbara Biltmore Hotel, Santa Barbara, Cal.

April 1-4, Zone 2 of NAIC, Greenbrier, White Sulphur Springs, W. Va.

April 1-3, National Assn. of Surety Bond Producers, annual, Plaza Hotel, New York.

April 5-7, Eastern Conference of NAIA, annual, Hilton-Statler Hotel, Buffalo.

April 5-7, Midwest Territorial Conference of NAIA, annual, Hotel Skirvin, Oklahoma City.

April 5-7, New York mutual agents, annual, Hotel Syracuse, Syracuse.

April 5-7, Oklahoma agents, 50th annual, Hotel Skirvin, Oklahoma City.

April 10-11, Southern Agents Conference of NAIA, annual, Admiral Semmes Hotel, Mobile.

April 13, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore Hotel, Providence.

April 16-17, Ohio mutual agents, annual, Neil House, Columbus.

April 19-21, Mississippi mutual agents, annual, Hotel Heidelberg, Jackson.

April 19-21, Rocky Mountain Territorial Conference of NAIA, Broadmoor Hotel, Colorado Springs.

April 26-28, National Board of State Directors of NAIA, midyear, and Far West Agents Conference of NAIA, annual, Westward Ho Hotel, Phoenix.

April 26-28, Iowa agents, annual, Roosevelt Hotel, Cedar Rapids.

April 29-May 1, Zone 5 of NAIC, Arlington Hotel, Hot Springs, Arkansas.

April 30, Chicago I-Day, Conrad Hilton Hotel.

April 30, Midwestern Independent Statistical Service, annual, LaSalle Hotel, Chicago.

April 30-May 1, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.

April 30-May 2, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 3-5, Alabama agents, annual, Whitley Hotel, Montgomery.

May 3-5, Florida mutual agents, annual, Robert Meyer Hotel, Jacksonville.

May 3-5, New York agents, annual, Hotel Syracuse, Syracuse.

May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.

May 4-6, American Mutual Insurance Alliance, annual, Edgewater Beach Hotel, Chicago.

May 4-6, Health Insurance Assn., Bellevue-Stratford Hotel, Philadelphia.

May 4-6, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.

May 5-8, Insurance Accounting & Statistical Assn., annual, Ambassador Hotel, Atlantic City.

May 6-8, National Assn. of Independent Insurance Adjusters, annual, Shamrock Hilton Hotel, Houston.

May 11-13, Pacific Board, annual, Biltmore Hotel, Santa Barbara, California.

May 11-14, National Assn. of Insurance Brokers, annual, Waldorf-Astoria, New York.

May 12, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York.

May 12-15, Insurance Company Education Directors, annual, Skytop, Pa.

May 14-15, Arkansas agents, annual, Arlington Hotel, Hot Springs.

May 14-15, Central Claim Executives Assn., Marott Hotel, Indianapolis.

May 14-15, National Assn. of Casualty & Surety Agents, midyear, Ambassador Hotel, Chicago.

May 18, Vermont agents, spring meeting, Woodstock Inn, Woodstock.

May 18-20, American Assn. of Managing General Agents, annual, Essex House, New York.

May 18-20, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.

May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.

May 21, National Board of Fire Underwriters, annual, Biltmore Hotel, New York.

May 21-22, Casualty Actuarial Society, spring meeting, Ambassador Hotel, Atlantic City.

May 21-23, Texas agents, annual, Hotel Texas, Fort Worth.

May 21-23, Florida agents, annual, Jacksonville.

May 28-29, Georgia agents, annual, Biltmore Hotel, Atlanta.

June 1-2, Eastern Underwriters Assn., midyear, Otesaga Hotel, Cooperstown.

June 5-6, Virginia agents, annual, Greenbrier, White Sulphur Springs, W. Va.

June 7-9, Georgia mutual agents, annual, King and Prince Hotel, St. Simons.

June 7-9, Tennessee and Kentucky Mutual agents (combined), annual, Andrew Jackson Hotel, Nashville.

June 8-10, Southeastern Underwriters Assn., annual, Homestead, Hot Springs, Va.

June 8-12, NAIC, annual, Statler Hotel, Boston.

June 11-13, Mississippi agents, annual, Edgewater Gulf Hotel, Edgewater Park.



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YOU: What about commissions?

CG: You get full commission on any sale made. As a matter of fact, using Connecticut General's Life Department for the independent general insurance man, you can increase your profit 15% or more!

YOU: Low pressure, no sales pitch, none of my time wasted... and 15% profit. Sounds better and better. What should I do next?

CG: Call the C.C. office nearest you. There's probably one in your city. Do it right now!

**CONNECTICUT
GENERAL**

Life Insurance Company, Hartford



Corroon & Reynolds Has Ft. Worth Office

Corroon & Reynolds has established a branch at 2936 South Pecan Street, Fort Worth. It is headed by the resident manager, James W. Reynolds. Clyde Zellers, special agent, has been assigned to the office. The company will continue to operate field offices at Plainview under J. B. Roberts and Jesse Roberts, special agents, and at San Antonio under Milton C. Heuerman, special agent.

A bill has been introduced in Washington to require 30 days notice of cancellation instead of the present five days, with notice to be given by registered or certified mail requiring a return receipt and return of premium prior to time of cancellation.

Continental Changes Liability Division

The liability division of Continental Casualty will be organized along territorial lines rather than upon type and size of risk. Also, the division functions have been split into underwriting and administrative responsibilities, with an assistant manager in charge of each.



Goodwin Clark

Assistant Vice-President Goodwin Clark has been appointed assistant manager for underwriting, and Carl Bostrom, formerly manager branch office liability underwriting division, has been named assistant manager for administration.

Reporting to Mr. Clark will be W. R. Barnes, R. B. Johnson, Howard Grauff and Everett Darrow. All four have been promoted to territorial underwriting superintendents with responsibility for the various branch offices.

W. R. Barnes, formerly manager large lines department, will be underwriting superintendent of the western region, with the Los Angeles, San Francisco, Seattle, Denver and Dallas offices reporting to him. Robert Johnson, formerly manager liability underwriting, will be underwriting superintendent of the central region, with the Detroit, Grand Rapids, Chicago, Milwaukee and Canadian offices in his charge.

Named Eastern Superintendent

Howard Grauff, formerly assistant manager large lines department, will be underwriting superintendent of the eastern region, with New England, New York, Philadelphia, Pittsburgh and Syracuse his responsibility. Everett Darrow, formerly underwriting supervisor, will be underwriting superintendent of the southern region, with Atlanta, Cincinnati, Columbus, Indianapolis, New Orleans, St. Louis and Kansas City offices in his care.

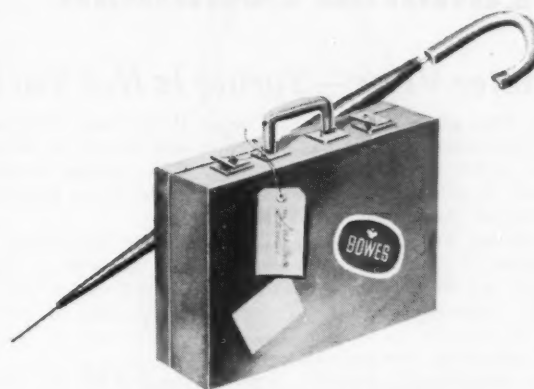
Reporting to Mr. Bostrom will be Joseph Wiedemann and Robert Griffing. Mr. Wiedemann, formerly assistant manager liability underwriting, will be administrative superintendent for the southern and eastern regions. In his new post he will assume responsibility for all non-underwriting matters (including personnel, salary administration and procedures) for the offices in his areas. Robert Griffing, formerly underwriting supervisor, will be administrative superintendent for the central and western regions, carrying responsibility for all non-underwriting matters in the offices that make up these two regions.

Mr. Bostrom will also be responsible for research and development. John Larson will take care of legal matters; Earl Payne will handle WC and general liability and Robert Douglas will head education and training under the research and development program.

Assistant Secretary James Paulding will continue to report to Assistant Vice-President Fletcher as head of the engineering, payroll audit and industrial hygiene departments.

Allstate Promotes Berdan

Herbert B. Berdan has been promoted to long range planning manager in the corporate planning division of Allstate. He was assistant economic development manager. Mr. Berdan joined Allstate in 1954 as an analyst.



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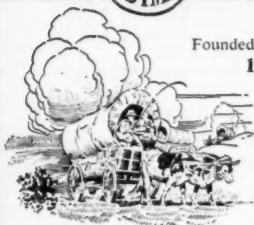


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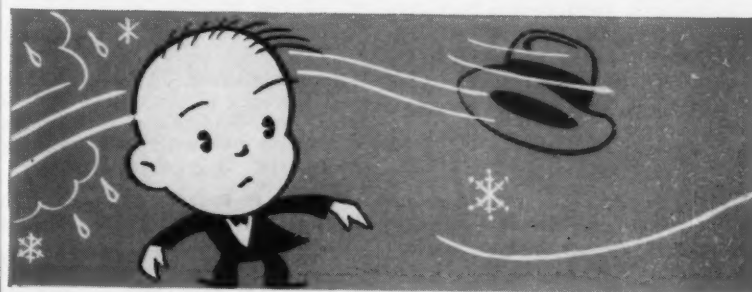
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Editorial Comment

A Midwinter View—Spring Is Not Yet Here

Not all of the news already made or in the making has appeared in the papers. Currently, more companies are planning mergers to achieve the fire-casualty combination. Additional multiple line companies are negotiating for the acquisition of life companies. A few companies are ready to be acquired—because underwriting losses and expenses in relation to volume have made the future too uncertain to tolerate without major assistance.

Many companies still have under way the curative processes of eliminating bad business and sources of bad business, of reducing percentages of poor lines, and, in general, accommodating themselves to a regimen of tough underwriting. Even London has had the virus and has a sharply reduced appetite for American business.

Agents are sharing the fortunes of the insurers, as they always do—good and bad. They are up against rising costs, sterner competition, and the necessity of meeting changing patterns in the business. They are getting their commission cuts, many of them, by mimeograph and a stamped signature.

The company figures now coming out display, as usual, a variety of results. Some of the companies have made their adjustments and reduced their combined loss and expense ratio below 100. Others have shown improvement but are still struggling. Still others are just struggling. The best aspect of the annual reports in general is their reflection of a profitable stock market.

Property coverages showed an improvement in 1958, but not a lot of it. The experience on homeowners is only passable at best and for many it is bad, which is a great disappointment. Multiple peril commercial packages are delivering impressively poor results. Inland marine continues to call for great skill and firmness to keep it endurable.

Automobile PHD is fair but auto third party is the worst of all with practically no signs that any of the causes are ameliorating. Capacity in certain areas has become so scarce that newspapers speak of a "gray market." Not quite "black," but, via the assigned risk plans, "gray."

In many areas the companies are getting more money for auto casualty, and markets are not too tight and results not too unendurable. But for the numerous insurers that transact auto business in the state of New York, the over-all experience is quite adverse. As one executive put it, his company could be making money everywhere else and still be badly in the red because of losses in New York.

There are explanations for the New York failure to grant some kind of relief in more than two years. One of them is that we have had three superintendents in that period. All of the reasons do not add up to enough to reduce the profound disappointment in regulation as it is practiced by a state

in which it has been exercised for a long time and has one of the best reputations. This disappointment is no longer confined to the insurance business.

There is hope that relief of some kind will be granted by New York soon. But the effects of the extended rate delay in the face of the strongest evidence of necessity is going to be felt for a long time.

The situation in the fire and casualty business is described by one observer as: Things are better only because they have quit getting worse—but they aren't good. The necessities continue to call for hard thinking and firm acting, for adjustment, change and grading up.

The times have put a great strain on everyone. The business is not yet out of the trough of one of its worst underwriting cycles. Competition, however, has gone right on increasing in variety (multiple line, all lines, etc.) and in intensity (exclusive agent companies, deviations in rate and form, group underwriting of automobile, etc.). Consequently, the times call for very great tolerance, patience, and willingness to understand the viewpoint of others—within companies, among agents, between agents and companies, and among all the others who have a betting stake in the business.

Things are a little better. But they aren't good. Despite the calendar, spring has not really come. It is just a February thaw.—K.O.F.

Personals

Thomas E. Leavey, president of Farmers Exchange, has been named the recipient of Seattle University's national award for economic statesmanship. The award is sponsored by the university's school of commerce and finance. Mr. Leavey is a co-founder with John C. Tyler of Farmers group.

Herbert Colford, marine and burglary manager of the Childs & Wood agency of Chicago, is recuperating from major oral and throat surgery at Presbyterian Hospital, Chicago.

William B. Rearden has been made chairman of Loyalty group, **Walter J. Christensen** president, and **Nathan H. Wentworth** executive vice-president, as reported in last week's issue. In addition to his business activities, Mr. Rearden has been active in civic affairs. He is past president of Newark Safety Council and of Newark Chamber of Commerce and is president of Advertising Club of New Jersey. Mr. Christensen was elected vice-president of Southeastern Underwriters Assn. in



Nathan H. Wentworth

1957 and is chairman of its public relations committee. He is a member of the PR committee of National Board,

1957 and is chairman of its public relations committee. He is a member of the PR committee of National Board,



Walter J. Christensen



William B. Rearden

vice-chairman of National Automobile Underwriters Assn. and treasurer of National Automobile Theft Bureau. Mr. Wentworth entered the business in 1933 from Dartmouth College and election to Phi Beta Kappa.

Dr. Curtis N. Elliott, professor of insurance at University of Nebraska, suffered a mild coronary on March 11 which forced cancellation of his participation in the annual insurance conference sponsored by Ohio State University. He is recovering satisfactorily.

Mrs. Joe Ann Shay, administrative assistant Illinois Assn. of Insurance Agents, is back at her desk after being hospitalized for 2½ weeks.

Michael P. Corder, son of **E. T. E. Corder**, prominent Columbus agent, has been appointed to West Point by John Borys former United States Senator from Ohio.

Deaths

DONALD G. OVERMAN, 56, vice-president and director of Motors and General Exchange Ins. Corp., insurer affiliates of General Motors, died at his home in Llewellyn Park, N. J., after a long illness. He had served on many committees of National Automobile Underwriters Assn.

L. D. NICKLES, head of the Lexington agency of Lexington, Ky., died.

HARRY C. JONES, 60, owner of the Bluegrass State agency at Louisville, died there.

GEORGE O. BRIGGS, JR., 59, a vice-president of the Hopkinson-Burridge-Pearse Co. agency of Cleveland, died at Fort Lauderdale where he was vacationing. He had been in the business for 40 years, 35 of them with the Hopkinson agency.

J. W. BUCKINGHAM, 82, retired vice-president of Millers Mutual of Alton, Ill., died after an extended illness. He began with the company in 1917 and was treasurer from 1931 to 1943, when he was named vice-president. He retired in 1948.

HERMAN A. SCHMIDT, retired vice-president and director of Northwestern National and Northwestern National Casualty, died. He was with Northwestern National for 59 years until retiring in 1957. He started with the company as office boy in 1898, was made assistant secretary in 1916, and subsequently became vice-president and secretary-treasurer. He was elected a director in 1939.

EDWARD B. HAMPTON, Sr., 67, of the A. L. Googe agency of Winston-Salem, N. C., died at his home there.

EDWARD FORTNER, 54, Spruce Pine, N. C., a director of North Carolina Assn. of Insurance Agents, died.

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

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Associate Editor: John N. Cosgrove.
Assistant Editor: Sheldon Maycumber.

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William H. Faltyssek and R. R. Cusaden.
Editorial Assistants: Marjorie Freed
(production) and Barbara Swisher.

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Louis H. Martin, Vice-President.
Leslie A. Meek, Secretary.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—333 Candler Bldg., Tel. Murray 8-7177. Fred Baker, Southeastern Manager.

BOSTON 10, MASS.—80 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and Dana L. Davis, Northern New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. WAbash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wiegman and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Arthur W. Riggs, Statistician.

CLEVELAND 14, OHIO—1387 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—328 Interurban Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

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Herbert Clark Honored On Eve Of Retirement

Herbert A. Clark, vice-president and western manager of Loyalty group, who is retiring April 1, was honored at a luncheon in Chicago this week by about 75 of his insurance friends. The hosts were Underwriters Adjusting, Cook County Loss Adjustment Bureau, Underwriters Grain Assn. and Underwriters Salvage Co. Mr. Clark is retiring as chairman of Underwriters Adjusting and as president of the three other organizations.



H. A. Clark

White, Seely Speak

K. C. White, general manager of Underwriters Adjusting, was the toastmaster, and W. A. Seely, western manager of Crum & Forster, offered some personal observations and recollections of Mr. Clark's career.

Herbert Clark is the last of the old-time western managers. He and E. A. Henne, who was a guest at the luncheon, were the protagonists for decades in the great events of the fire business in the middlewest. Between them they occupied all the important offices. Mr. Clark was the leading power in Western Insurance Bureau and Mr. Henne was his counterpart in Western Underwriters Assn.

Insurance leaders of the type of Mr. Clark were strong personalities. They rose on strength of character and positive personal qualities as much as technical insurance knowledge.

Held Many Offices

Mr. Clark has been an insurance man for 54 years, starting in 1905 with the old Germania (later the National Liberty) where he advanced to general adjuster and finally in 1921 to manager of the western department. In 1924, he became a director and vice-president at the home office, and in 1925 he resigned to join Loyalty group as western manager. He assumed the title of vice-president and director also in 1934. Outside of his company, Mr. Clark was active as president of Cook County Loss Adjustment Bureau, Underwriters Grain Assn., Underwriters Salvage Co., Oil Insurance Assn., and he served also as chairman of the advisory committee of Factory Insurance Assn., member of the governing board of National Automobile Theft Bureau, member of the western regional committee of National Automobile Underwriters Assn., chairman of Underwriters Adjusting, trustee of

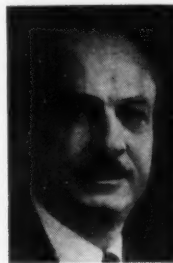
Underwriters Laboratories, vice-chairman of the executive committee Western Actuarial Bureau, and member of the governing committee of Western Underwriters Assn.

In his remarks, Mr. Seely said he has been a business associate and friend of Mr. Clark's for 40 years. In his career, Mr. Seely said, Mr. Clark has been head of practically every organization in the west. In the old Bureau-Union days, Mr. Seely and Mr. Clark were on the same side, fighting for agencies, but when Crum & Forster joined the reorganized Western Underwriters Assn., they were on opposite sides of the fence. Mr. Seely said he learned to have a deep respect for Mr. Clark's integrity.

A plaque of appreciation for the efforts he has given to the organization was presented by FIA, Underwriters Adjusting, NAUA, National Auto Theft Bureau, Oil Assn., Underwriters Adjusting, Grain Assn., Underwriters Laboratories, WAB, WUA, and the salvage company. Mr. Clark's friends also presented him with a landscape in oil for his home.

Wikler Leaves N. Y. Department, Resumes Law Practice In N. Y. C.

Julius Wikler, former New York superintendent, has left the department to resume his membership in the New York City law firm of Wikler & Gottlieb. The firm has now been renamed Wikler, Gottlieb & Wikler.



Julius Wikler

Mr. Wikler, who served as director of the New York office of Office of Price Stabilization in 1951-52, joined the insurance department in March, 1955, as first deputy. In March, 1958, he succeeded Leffert Holz as superintendent.

Since Jan. 27 this year Mr. Wikler has been acting as a consultant to the present superintendent, Thomas Thacher, without pay.

Houston Exchange Elects Livingston President

R. B. Livingston has been elected president of Insurance Exchange of Houston. Other officers are Elbert E. Adkins and R. B. Bowen, vice-presidents; B. Wendell Phillips, treasurer, and John W. Daniel, reelected executive secretary.

Insurance Field Club of Ohio at its March luncheon meeting at the Columbus Athletic Club had Robert L. Cook, Bridgeport, as speaker.

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Investors' Measure Of Insurer Management Forecasts Company Survival In New Era

Despite many discussions in the business regarding the survival of one or another system of insurance operation, the vital questions for every executive is whether he and his company are going to survive, Frank Lang, management consultant, told the annual insurance conference of Ohio State University at Columbus. Executives must look outside the busi-

ness for the answer, he said.

Three types of people can supply it, he noted: The investor in insurance stocks; the buying public, and the management consultant who has worked with all types of management. Investors have a hardboiled attitude, especially large institutional shareholders who are the principal owners of insurance company equities.

They constantly measure management.

The prices of insurance stocks today range from a discount of 25% to 50% of liquidating value to a premium as high as 45% of liquidating value, Mr. Lang observed. These prices reflect the judgment that has been passed on individual company management. They are the barometer of how each management, in the investor's view, has adjusted to the current critical situation in the business.

Institutional investors are alarmed over the failure of some manage-

ments to respond to the emergency. Last year, these owners of the bulk of insurance stocks held an unprecedented meeting at Boston to exchange views on the crisis and to determine what action they may be forced to take. Those managements which are open to criticism through inertia had better beat their owners to the punch, in Mr. Lang's view.

Long Term Study

He referred to a market performance study by a major investment fund. In this study, a theoretical investment of \$10,000 was made in the stocks of each of 54 fire and casualty companies as of Jan. 1, 1947. As many whole shares were bought as could be purchased with the money available at that date, and the balance was accumulated. When the first cash dividend was paid, any accumulation left over from the initial purchase was added to the dividends and as many whole shares were acquired as could be purchased at the then existing price. No new money was injected. After 11 years, ending Dec. 31, 1957, the appreciation of this investment ranged from a low of 27.7% to a high of 764.3%. In between were startling fluctuations in appreciation. During the same period the Dow Jones industrial averages rose from 176.39 to 435.6.

Insurance executives can review this market study and tell exactly where they stand in the opinion of the experts. Investment reflects confidence in management and this must be based on an evaluation of past record, current attitude and future plans to adjust to a changed insurance environment, he said.

Buying Public Measures Too

The buying public is also measuring insurer management, Mr. Lang continued. The competition is not making inroads on the premiums of the old established companies, as so many convention speakers are fond of saying. What is occurring is something more fundamental: The public is withdrawing premiums from these companies and placing them with the competition. Many factors are involved—economical methods of operation, systems of distribution and allied considerations. Policyholders are not interested in these details. They care nothing about the corporate nature of insurer organizations, how salesmen are paid or different philosophies of management. They want the best buy for the least money with assurance of service.

Some forward looking companies
(CONTINUED ON PAGE 28)

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MERCHANT OVER \$8,000**

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Injured in Store Parking Lot**

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COMMENTS

TRENDS

OBSERVATIONS



Partaking of the huge birthday cake with which Standard Accident celebrated its 75th anniversary are members of Michigan Assn. of Insurance Agents at the association midyear meeting at Detroit. From left are P. H. Lovell, Benton Harbor; Donald Worgess, Battle Creek; C. E. Garrett Sr., Kalamazoo; L. K. Kirk, president of Standard Accident; Grant Moore, Port Huron, and Patrick Morey, Traverse City.

Describes Values In General Agency Use

Hunter Lyon Sr., Miami general agent, writes:

The logical place of underwriting is at its location, it cannot always be done efficiently fifteen hundred miles or more away, as it can on the front line. Underwriting today is different than a decade ago; not only must the risk be underwritten, but also the agent producing the business and the office personnel.

We have too many unreliable agents who represent the companies, and we must eliminate the premium getters from the good agent who is willing to do a little front line underwriting himself. At this day and time efficient employees are hard to get; many of them fail to use common sense. We must balance the agents' writings and see that our companies receive a proportionate amount of the profitable business with the unprofitable.

Can Be Of Service To Insurers

A legitimate general agent can be of service to the companies he represents as he commands a certain amount of respect in his own backyard with the public and with the lawmakers, and he must use all of his influence to see that laws governing insurance are fair to both the public and the insurance business. It has been proved that a company can operate through a general agency at a smaller acquisition cost than a branch office maintained by a company.

There is definitely a place in the insurance industry for the honest, careful general agent. He cannot last long today if he cannot make a profit for his companies. The company takes no risk in agency balances if operating through a general agency as this is a part of the general agents' responsibility. The general agent can also place reinsurance through his various companies and therefore handle large lines offered by his agents if the risk is an acceptable one.

The day of the general agent is not over. In fact, it has just begun, and

the good general agent has nothing to fear as long as he operates honestly, carefully and faithfully, underwrites himself, his agents and the companies he represents.

The general agent has not fought his companies in some states, but the local agent has, and today you will find many companies paying local agents general agents' commissions. Yet they do not get the guarantee of balances paid, underwriters, map clerks, commercial reports, inspections or proper front line underwriting. This applies to many agents today.

I know of many companies paying general agents' commissions to local agents and making their acquisition costs so high that without any losses they could make very little profit

Comments On Apathy To Higher Education

Edward C. Barnwell of Los Angeles, a casualty underwriter of long experience, and co-author of a new book, "Property Insurance," published by Rinehart & Co., New York, writes as follows:

Because of the past five years' associations incidental to preparation of the manuscript for the text book, "Property Insurance," I have become very conscious of education relative to insurance. Therefore, your editorial in the Feb. 20 issue, "Why Stay In The Kindergarten," was quite interesting.

The statistics you quote infer that the beginners in the business today are just as eager to learn as were their predecessors of 30 years ago. I was one of the beginners at that time. After an elementary education in in-

(CONTINUED ON PAGE 32)

with their ever increasing acquisition costs. This, I believe, will eventually be cured, but insurers must remember a good general agent can eliminate a big part of the home office expense.

In other words, the companies are top heavy with expense of obtaining their business through channels that are not and cannot render the front line service that a general agent can.

We all derive our livelihood from the local agent. But, if we are living beyond our means, we must eliminate the bad agent, cut our acquisition costs and make our underwriting a profitable business. We cannot depend on the stock market to pay our dividends. We must depend on adequate rates, careful underwriting and good agents.

Sees Flood Cover Need, Perhaps In Package

John G. Bacon of Rogers, Bacon Co., New York, hotel insurance consultants, writes:

Much publicity has been given to the extensive flood losses in recent years. Many groups of people with excellent intentions have run off in all directions in order to aid the innocent victims of these natural disasters.

After the catastrophes of 1954 and 1955, a number of bills were introduced in Congress dealing with this problem. Several of them were typical give-away programs without practical value. Others were too expensive to administer. The law which was finally passed established Federal Flood Indemnity Administration for the purpose of selling insurance through a plan involving the subsidizing of premiums by both federal and state governments. The act also contained a reinsurance provision which was never developed.

Heavy Counter-Selection

The attempt to insure only those risks taking the initiative to apply for the protection resulted in counter-selection which, in turn, brought about exorbitant premium requirements. It is obvious that the owner of property

located at the water's edge and experiencing water damage every few years will be the first to apply for flood insurance. Even the subsidizing of premiums cannot prevent the cost from being prohibitive.

What is the possible solution to the problem? We know that to insure against natural disasters on a sound underwriting basis, an insurer must have a sizeable volume of business with the exposure to loss spread over as large a geographical area as possible. We also know that the cost of the insurance must be reasonable enough to attract business of varying degrees of exposure. To write windstorm insurance only in those areas having heavy storms every year would make the cost prohibitive, but we provide windstorm protection now, breaking rates down to state and type of building construction. However, our rates are reasonable principally because we merchandise this coverage through the EC package and thereby attract many risks having little, or no exposure to windstorm.

It is obvious that flood protection must be combined with other hazards in one package in order to spread the risk and bring the price down to a marketable level.

Statistics as to flood losses sustained

Nearly Impossible To Copyright Insurance Policy, Court Holds

Another lawsuit has been decided in the field of insurance policy copyright, upholding the theory that copyright of policy forms is practically impossible.

In this suit, involving Continental Casualty and filed in 1953, the insurer was accused of infringing on a bond form which was registered under the copyright laws. H. T. E. Beardsley accused a bank of infringing a copyright by using a blanket lost instruments bond written by Continental Casualty. Beardsley claimed Continental Casualty's bond infringed on a form which he had copyrighted. Continental Casualty sued for judgment declaring that this claim of copyright was invalid.

Beardsley filed a counterclaim stating that the forms of Continental Casualty for blanket lost instrument bonds, blanket lost security bonds, blanket waiver of probate bonds and blanket lost mail bonds infringed his copyrights on bond forms of the same or similar names. The case went all the way to the U. S. Supreme Court, which, by refusing certiorari, upheld the U. S. appeals court decision.

It was held that Beardsley was causing injury to Continental Casualty by asserting that his plan of insurance and forms were copyrighted; Beardsley's counterclaim for copyrighting infringement, unfair competition, breach of confidence and breach of implied contracts, were dismissed; Continental Casualty's action for unfair competition in violation of the anti-trust law was dismissed; Beardsley was enjoined from claiming copyright of the plan and the forms and the bonds, and from distributing any of said forms which purport to be so copyrighted, and Continental Casualty recovered costs in the amount of \$1,869.

in the U. S. are somewhat confused because they include the value of tillable land, topsoil, roads, bridges, etc. These are not the types of property in which we are particularly interested. We need more accurate figures as to buildings and their contents.

We have surveyed the flood and windstorm losses incurred throughout the U. S. for an entire industry with buildings in all 48 states. This was done for the years 1954 and 1955, two of the worst flood disaster years in recent history. The property values (buildings and contents) exceeded \$700 million, and the losses during the two years totaled \$1,340,000 for water damage and \$140,000 for wind damage. Thus, the water damage losses amounted to less than 2% of insurable values during the two years when real flood disaster struck.

With these figures in mind, it would be a simple matter to set a premium rate for this class of buildings and contents if we could determine the frequency of floods with any accuracy. But the rates would have to be predicated on the assumption that a premium be collected for all properties

Eye Amendment As Credit Cover Abuse Cure

(CONTINUED FROM PAGE 1)

sion as to FTC's authority, made it "mandatory" for Congress to proceed with a thorough going study in order to determine whether the McCarran act had achieved its purpose of securing competition in the insurance industry and protecting the public from monopolistic and other non-competitive practices," the report declares.

There will be an interim report also on the subcommittee's findings in the aviation insurance business, on which it held hearings last August. At the conclusion of those hearings the Department of Justice was asked to review the record and advise whether it had any responsibility under present law with reference to the aviation insurance business, the report states.

The subcommittee notes that ocean marine and mail order insurance are "in many aspects beyond effective regulation by the states."

Private rating bureaus and their operation are being eyed. "Concerted

included in the survey, not all of them being subjected to the flood hazard.

On the other hand, not all of the properties would be subject to a windstorm exposure, or sprinkler leakage, or other types of water damage, or earthquake, or explosion—but almost all of the risks would be exposed to at least one of these hazards, and would probably be willing to pay for a packaged protection with a loss deductible.

There is ample justification for the reluctance of insurers to enter the flood insurance business with its catastrophic possibilities. However, there is no reason why the insurance business must remain defeated and unwilling to make a real attempt at offering protection to the public. It has been our experience that insurance departments have done little to help in the solution of this problem.

What steps can be taken to provide flood insurance for property owners in the United States? I suggest these:

1. Use the existing federal law (federal flood insurance act of 1956) to establish reinsurance facilities for the regular insurers. A 90% plan would be best.

2. Issue package plans, in conjunction with fire insurance, to cover a variety of exposures.

3. Charge premium rates based upon national averages for all types of losses included in the package, plus a loading for those areas having unusual exposures as done now for windstorm.

4. Offer a variety of deductibles and rates so that insured may select their own plan.

5. Relax the rigidity of rate making regulations of state insurance departments until enough experience has been obtained over a period of years.

6. Permit unlicensed insurers to provide package coverage if we cannot do it ourselves.

7. Withdraw government reinsurance after a reasonable length of time.

The pressure from the public for flood protection will build up again, as soon as enough people suffer financial loss. It would be wise for us to have our own plan, rather than wait for the government to enter the business as a direct writer.

rate making through bureaus represents the sharpest departure from the philosophy of anti-trust enforcement," the report avers. "Therefore, the subcommittee considered that one of its prime functions was to learn how these rating bureaus operate, the regional and national character of their operations, the degree of regulation by the states, and the manner in which state regulation has affected the right to make independent filings or to deviate from bureau rates."

The subcommittee states that complaints concerning the over-all cost of certain types of insurance have been brought to its attention. Additional investigations have been directed at the way in which rates are calculated, the formulas used in rate making, factors taken into account and those ignored in this process, and "the major problem of whether competition continues to operate as the prime regulator of insurance rates."

Study Pricing Techniques

Emphasis on cost, according to the report, is in line with the subcommittee's investigation of pricing techniques used in industries where for various reasons competition has not operated most effectively in protecting consumers from high prices.

"While pricing techniques in the insurance industry may be considerably different from those which characterize the administered pricing industries, this subcommittee will continue its study of all non-competitive factors which deny the public the benefits of the lowest possible price.

"In the insurance industry, the effectiveness of competition in determining rate structure must be tempered with the necessity of maintaining solvency and, thus, protecting both policyholders and stockholders from the perils of bankruptcy. This entails a consideration of state regulatory activity in refusing rate increases which may be necessary to insure solvency," the subcommittee stated.

Calls Attention To Questionnaire

The report, signed by Sen. Kefauver, the chairman of the subcommittee, calls attention to the questionnaire sent to insurance departments. The information will be issued in the year.

The report also notes that a special subcommittee headed by Sen. Langer has been conducting hearings on financing, lending and credit insurance and "unscrupulous practices employed in the sale of credit insurance in connection with small loans and other financial transactions as the result of lack of state regulation." These hearings will continue, according to the report.

The subcommittee has jurisdiction to determine if the McCarran act should be amended to regulate credit insurance, the report declares. Credit insurance "is used as a gimmick to get around state small-loan laws, especially when the states are powerless to regulate those insurance companies because they are in interstate commerce or are located outside of the state and beyond the reach of the police powers" of the state.

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Henderson Says Better Rating Will Ease Auto PHD Losses

(CONTINUED FROM PAGE 1)

ing has speeded up progress on a directed basis in many areas, Mr. Henderson said, but in the automobile business this extra value seems to be lacking. Other than Allstate's plus premium on unitized construction and the NAUA plus rating of windshields, insurers seem to have done nothing.

Mr. Henderson said car manufacturers move faster when given the same facts as insurers. At least two manufacturers are convinced the in-

surance companies will have to charge rates commensurate with the cost of repairs. The most convincing demonstration of this, he said was a conference at the Ford Motor Co. at which he met with 14 junior executives. Mr. Henderson told the Ford people they did not understand the problem and were at a distinct disadvantage in building cars which would carry a low insurance rate unless they worked with an insurance association or a

large company. Asked to make suggestions, Mr. Henderson named six companies, with emphasis on three which he felt would cooperate. Ford decided to have a meeting with Allstate, and three top executives went to Allstate's home office, with Mr. Henderson as an interested onlooker.

This was a "most interesting day," Mr. Henderson said. Allstate rolled out the red carpet. The company had a program prepared and had 24 de-

partment heads on hand. Mr. Henderson reported that Ford representatives said the effort to reduce the cost of collision repairs from an insurance standpoint held great promise. It was a concept which should start with the earliest conception of a new model in styling and product planning.

The subject of replacing rear quarter panels on Ford cars came up, and the Allstate people said the high cost of labor and installation could be cut considerably if Ford would make an "18" rear-end section, the most common area of damage as a result of rear-end collision. The Ford people said the cost of tooling for this would exceed \$100,000 and there would have to be a large market assured before such an investment could be made.

Save One Set Of Dies

As liaison man, Mr. Henderson said he suggested that one of the two sets of dies for production be saved after the run and cut off to make smaller end sections at a relatively low cost. The sale of these smaller sections certainly would be larger than the complete panels required for replacement currently. He told the Ford and Allstate representatives that the present cost of \$300 could be cut by \$100, a 33% saving, but if the \$50 deductible is figured the insurance claim saving would be 50%.

"Ford and Allstate now have a working arrangement," Mr. Henderson declared. Some benefits will result, but there cannot be such an understanding across the industry until a rate is charged commensurate with the cost of insuring each car.

In another area, Mr. Henderson said, insurance underwriters have made their influence felt. General Motors is equipping its 1959 cars with large twin-wrap windshields, but just before the introduction of 1959 models GM reduced the price of large windshields almost 20%. While this hardly seems like good business, coming in the face of an increase in cost to GM of almost 20%, Mr. Henderson said it was a good move because it makes it possible for insurers to cover windshields at a price the company will pay.

Blames Inadequate Premiums

"I am firmly convinced that if the insurance business had placed an adequate premium on wrap-around windshields when they first appeared on the road in the fall of 1953, the car manufacturers would not be in this position today," Mr. Henderson stated. "You would never have had to insure the too costly twin-wrap windshields simply because such a windshield would never have been styled. It is the car manufacturers' problem to know a large windshield on a popular car requires a \$12.50 annual premium and the same size backlight or rear view mirror requires only 40 cents."

But it is the responsibility of the insurance business to know these facts and to tell them to the car manufacturers, Mr. Henderson added. The most effective means of making this point is to charge a rate which will cover the cost. In the case of glass, he pointed out, the cost remains the same every year it is written because it does not depreciate.

Mr. Henderson explained it is not his idea that the insurance people have the right to tell the car manufacturer how to build a car or what price to sell parts for it, but they do have an obligation to charge a premium that is in line with the cost of providing insurance.

Many insurance people feel they

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would offend a car manufacturer if they charged a higher premium even though the car costs more to insure. Mr. Henderson said that is because insurance people don't know car manufacturers. The auto people might not like the insurance people but they would admire their stand. Failure to take a stand can result in sizable costs to insurers, Mr. Henderson explained.

Most of the insurance people own automobiles with four large stainless steel wheel covers for which they paid about \$30 extra above list price. In the past 10 years, Mr. Henderson said, 40 million cars have been equipped with these covers. They have been known around test tracks in Detroit as sailers because they fell off at high speed and soared into the air. When the cars were tested at high speed the covers were taken off beforehand.

These covers represent about six square feet of expensive ornamental work. They are not included in the list price of the car, but the insurance industry has supplied free coverage on them to a value of \$1.2 billion. The high replacement frequency factor has added \$100 million to the loss total, of which Mr. Henderson estimated half is for covers which fell off.

Owners Would Have Objected

"If the owners individually had to pay this \$50 million they would have raised so much Cain with the dealers and manufacturers that it would have been corrected years ago or they would have refused to buy them," he declared. "By paying this \$50 million without complaint you (the insurance companies) did not lend direction for product improvement but you aided and encouraged the manufacture and sale of a bad product."

The error committed in supplying such free insurance is not so much a financial loss to the insurer, Mr. Henderson said, as is the lack of direction, or actual misdirection, that it allows the product to take.

"In your very competitive business many of you feel you would sustain a loss of business by special rating," he observed. "Just the opposite is true. If some of you don't rate cars soundly you will be the one to end up with a more adverse loss ratio."

Costly design in styling changes are reflected first in the insurance busi-

ness in the collision coverage. This has been handled sometimes in the past by increasing deductibles, but when more of the cars are on the road such higher costs also get into the property damage liability coverage, and in this area there is no escape in deductibles. Mr. Henderson said in the same manner it is false to imagine that money can be saved by putting a deductible on windshields. This simply means, he stated, there will be more cars on the road with impaired vision, and good forward vision is the first requirement to safe driving.

Early London marine underwriters were interested in the protection of the products and people they insured, Mr. Henderson said. They were instrumental in establishing lighthouses at danger points and they subscribed money for the development and placement of life boats. Insurance leadership helped mark the way to safer shipping lanes and safer practices, and the automobile insurance men today must be concerned with the same problems in developing answers to the problems of safety and product improvement in their field.

Change Pattern For NAMIA Fire And Safety Contests

Entries in the 1959 fire and accident prevention contest of National Assn. of Mutual Insurance Agents will be restricted to state association projects in this field. In former years state associations have offered the programs of individuals and organizations in their localities.

The state association with the finest safety program will receive the Westbrook trophy, named after a former NAMIA president. The association selected by the judges in fire prevention will receive the Thompson trophy also named for a former president.

Winners will be announced at the convention of NAMIA in St. Louis Oct. 22. Aug. 15 is the deadline for entries.

New York Appraisers Merge

Marshall & Stevens Inc., New York appraiser, has acquired Standard Appraisal Co. of New York. Standard Appraisal, which was founded in 1906, will retain its name, personnel and facilities and will operate as a division of Marshall & Stevens.

Salesman?

#9 in a series



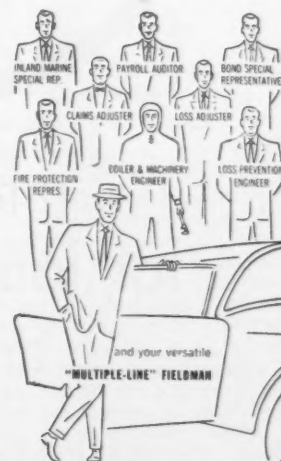
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Management Is Answer To Company Survival

(CONTINUED FROM PAGE 22)

have taken or are planning action for survival. They have merged or purchased other companies to expand markets, to strengthen their executive staffs, to consolidate assets and capital and to spread a larger premium volume over fewer overhead units. Companies which have tried to maintain a fictitious status quo have begun to pay for their lethargy—and the worst is yet to come. Mr. Lang stressed that there are good and bad operations in all phases of the business, regardless of their type of organization or merchandising methods. There is only one criterion for success or failure—quality of management.

Has Choice Of Four Courses

The medium sized company, relying on outdated methods, has special problems and must take one of four courses to survive. It can take the initiative, enlarge its markets, its facilities and its outlets. This may involve merger or acquisition of another company, purchase of general agencies, or other devices. It can nar-

row operations and become a specialty company, offering one line, a unique service or some feature not offered by competitors. It can restrict operations to a geographically limited area and try to provide superior service through closer expense control. It can seek a stronger company which will absorb it.

Mergers Now The Vogue

Mergers currently are the vogue, Mr. Lang declared. There have been 233 retirements in the past four years, and he expects only about half of the present companies to continue operations. Mergers are no panacea for small and medium sized companies. He has observed that where some mergers between differently oriented companies were undertaken without guidance, good will was lost, valued employees left and agencies gave up representation. No person on either company's payroll can make an objective evaluation of superfluous personnel. He is handicapped by personal friendships and prejudices. Regardless

of the merit of his decisions, it is difficult if not impossible to have them accepted by both sides.

Sometimes the financial aspect of a merger is neglected, Mr. Lang declared. One company stock may have high liquidating value, while the other has a high market value. Shareholders of the first will view the merger unkindly should the need arise for increased capital, as it is likely to. They believe they have given up tangible value for the prospect of earnings, and they become restive if these do not materialize. It takes time to develop a smooth organization out of merged units, and institutional investors may not appreciate this fact. If they are not kept reasonably happy, the needed flow of capital may be cut off when most needed. This is disastrous in an inflationary economy. Mergers should only be undertaken with informed and neutral guidance.

Acquisition of a life company is no panacea either, Mr. Lang continued. This may strain a fire and casualty company's resources and it may be overwhelmed by the aggressiveness of the life management. If it starts its own life company, the fact must be realized that it can't make a dime for five to 10 years. Moreover, in his experience, the operating problems of life companies are fully as serious as those of fire and casualty organizations.

Keys To Survival

He gave a check list of questions for survival: "Are your company's objectives, policies and plans well defined? Are they clearly understood by your staff? Is work flow properly channeled for maximum efficiency? Is there waste of executive talent and confusion between line and staff activity? Is there a shortage of executives and none on the horizon? Have you made management development plans? Does management receive clear and concise reports for proper control? Have you devised means for reducing underwriting expense? Have you established controls for loss frequency and severity? Can you appraise over-all claims performance? Are you using modern techniques to reduce expense and increase productivity per employee? Finally, have you adjusted sales plans to the new economic climate?"

Mr. Lang said that it would be tragic if improved results in 1958 cause companies to cease improvement programs or deter others from undertaking them. This mistake can easily be made by management which takes comfort in the traditional cycle theory and simply does the expedient while letting the future take care of itself.

Copies Of Stewart, Smith Booklet Still Available

A limited number of copies are still available of the booklet, "Famous Last Words: It Can't Happen To Me," published by Stewart, Smith & Co. The booklets, illustrated by British cartoonist Arthur Ferrier, are available free of charge, as long as the supply lasts, from Stewart, Smith & Co., 116 John St., New York 38, N. Y.

Ga. Agents' Group Elects

Independent Insurance Agents Assn. of Catoosa, Gordon, Murray and Whitfield counties, Ga., has elected Barron Brooks of Chatsworth president; J. Colton Weeks of Ringgold vice-president, and William L. Rice of Dalton secretary-treasurer.

Auto Theft Bureau In Annual Meeting

At its annual meeting in New York National Automobile Theft Bureau elected George S. Howell of Motors and Harold C. Davis of New York Underwriters members at large. R. Newell Lusby of America Fore Loyalty was named treasurer.

President Fred J. Sauter of Chicago gave his annual report. The division chairmen, who constitute the governing board, previously had been elected, except the eastern. The latter met in conjunction with the bureau's annual meeting and named W. L. Vermilion of Aetna Casualty chairman.

Other division chairmen are C. M. Marshall of Aetna Fire, Pacific Coast; H. R. Lamar of Reliance, southern; J. D. Daniels of Gulf, Texas; and Mr. Sauter, west.

Other members of the eastern committee elected are John F. Gilmore, Hartford Fire; S. Stuart Horton, America Fore Loyalty; Ward Randol, Motors; H. M. Wardwell, Middlesex Mutual Fire, and W. J. Williams, Travelers Indemnity.

Take Nothing For Granted, County Coroner Advises Chicago Claim Association

Claim adjusters should take nothing for granted—especially the place where the dead insured was supposed to have been found—Dr. Samuel K. Lewis, DuPage county coroner, advised the March meeting of Chicago Claim Assn.

During the course of his talk, which delineated the function of the coroner's office and its relevance to his audience, Dr. Lewis remarked that approximately 20% of the deaths in DuPage county require some sort of investigation. This often has no other purpose than simply identifying the body. One means of eliminating this problem would be for everyone—especially travelers—to wear around their neck an identifying medal of an indestructible nature.

An important aspect of any investigation is the question of authority: who has authorized such an investigation? Also, every death inevitably poses the question: was it natural?

Although the contemporary coroner's office has a multi-faceted existence, it can, with some assistance, continue to render an invaluable service to the insurance business, Dr. Lewis said.

The next meeting of the association, April 8, will consist of a panel discussing professional group A&S.

Hartford Fire Promotes Two In Agency Accounting

Hartford Fire has promoted Francis P. Vendetta to superintendent of the group agency accounting department at the home office. Charles L. Chamberlain succeeds him as assistant superintendent.

Mr. Vendetta joined Hartford Fire in 1948 and has been with the accounting department since 1953. He was named assistant superintendent in 1958. Mr. Chamberlain joined Hartford Accident's home office accounting department in 1948.

Roy Malmberg, district auditor of the Michigan department of revenue, has purchased the General agency of Bessemer, Mich., from the estate of the late George L. Mazenec and will continue operations under the present agency name.



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Reliance Reduces Loss, Has Profit

Reliance and its wholly owned subsidiaries, General Casualty and Hoosier Casualty, had a combined net premium income in 1958 of \$67,541,618, an increase of 4.4% and a record.

The operating profit for the year was \$1,742,717, compared with an operating loss of \$157,313 in 1957. The underwriting loss was \$1,714,180. Investment income reached \$3,456,898, a 3.8% increase.

Loss and loss adjustment expense on an earned basis was 61.2% while incurred expense to written premiums was 40.9%. The unearned premium reserve increased by \$828,686. Assets were \$127,862,226 and policyholders surplus was \$46,856,006 at year-end.

Kenneth B. Hatch, president, stated that the 1958 results showed improvement, but unfortunately the automobile business continued to present the major problem. There was improvement in underwriting results in other lines. But, on many classes rates remained inadequate. This, coupled with an inflationary trend which shows few signs of abatement, continues to be a matter of major concern, he said.

Metropolitan Life Seeks To Have Metropolitan Ins. Co. Change Its Name

Metropolitan Life has filed suit in U. S. district court at Chicago to cause Metropolitan Ins. Co. of Chicago to quit using that name.

Metropolitan is the rejuvenated Highway Ins. Co., which has undergone changes in ownership and has had a face lifting following the loss of more than \$2 million from the treasury in an embezzlement.

Bill To Give Agents Fair Compensation Vetoed In N.Y.

The bill providing "fair and reasonable compensation" for independent agents and brokers in New York state has been vetoed by Gov. Rockefeller. It had passed both legislative houses with substantial margins.

The governor exercised his veto power for the first time on this bill. In doing so, he said that there are approximately 25,000 independent agents and brokers in the state. Among the many complexities which would arise if the bill were to become law is the possibility of numerous proceedings against the superintendent to determine the fairness and reasonableness of producer compensation under rates approved by the superintendent.

The governor indicated that commissions are matters of contract between insurers and their producers.

Bill Would Require Bonds For Union Fund Handlers

A bill by Sens. Goldwater and Mundt, which would require the bonding of labor union officials who are involved in the handling of union funds, has been introduced in the Senate. The bill would require such an official to be bonded in amount at least the aggregate annual income of the union, or \$50,000, whichever is smaller. The bill further states that the bond must be obtained from a bonding company in which the union or any of its officials has no direct or indirect interest. Penalty for violation is up to \$5,000 fine and one year in prison.

Mich. Bulletin Remarks On Dramshop Problem

LANSING—The steadily worsening situation in Michigan regarding liquor liability coverage is being given attention by Michigan Assn. of Insurance Agents.

In a bulletin to the membership, Waldo O. Hildebrand, association secretary-manager, noted that inadequate legislation and "some apathy by the companies" appear to be involved and that an amendment is being prepared for submission to the legislature which might improve the general picture. The specific change in the law would place a one-year limitation on the date of suit after occurrence of the incident.

Many Companies Steer Clear

"Many companies are no longer willing to write the coverage at any rate," Mr. Hildebrand comments. "The companies attempting to maintain a market are doing so primarily for the benefit of their established agents and at minimum limits. New agency appointments are being given consideration by a few writing companies but collateral business is almost mandatory. At the moment there is no alternative."

It is further noted that "the hopeless task of company counsel in forestalling excessive jury awards against some irresponsible defendants has been damaging."

Discusses Inflation. Affect On Insurance

John Henry Martin, manager Standard Forms Bureau, San Francisco, discussed "Inflation and How It Affects Your Insurance Policy" at the "Billy Sullivan Day" luncheon held at Seattle in tribute to William A. Sullivan, Washington State Commissioner.

Mr. Martin termed inflation as "the cruellest tax in all the world," since it strikes hardest at those least able to pay. As evidence of the spiral of inflation, he compared the 29½ cents a pound price of roast beef in 1939 to the 81 cents per pound price of 1959. On the basis of federal figures, "today it takes \$2.08 to purchase what a dollar would buy in 1939."

Haircuts Up 220.9%

Since 1936, Mr. Martin said, the cost of hospital rooms has increased 264.8%, men's haircuts have gone up 220.9%, general practitioners' fees 72.8%, and transportation 112.9%.

Relating inflation to automobile insurance, he said a new two-door Ford sedan in 1924 cost \$590. In 1959 a two-door Ford sedan cost \$2,337. In 1924, a fender replacement cost \$4 for parts and \$1 labor; in 1959 the cost of a fender replacement is \$35.05 for parts and \$13.30 for labor. To replace a windshield in 1924 the cost was \$6.25 for the glass and \$1 for installation; in 1959 the price is \$120 for the glass and \$19.50 for installation. According to Mr. Martin, agents armed with comparisons of this type should have little trouble explaining automobile insurance rate increases to policyholders. He pointed out that during every minute of 1957 automobile insurers paid \$3,300 in liability claims.

Using his home as an example of the impact inflation has had on fire insurance, Mr. Martin said in 1927 his home cost \$7,500 to build and the fire insurance rate was 60 cents per \$100. In 1957, the appraised replacement cost was \$21,250, while the fire insurance rate was 27 cents per \$100. He stressed the importance of insurance to value.

Insurance Commission Proposed By S. C. Bill

A bill introduced in the South Carolina general assembly would establish a nine man commission to run the insurance department. Six members—one from each Congressional district of the state—would be elected by the assembly. The other three would be appointed by the governor to serve during his term. The commission would employ an executive director to serve as secretary.

Companion bills for a compulsory automobile law, with provision for an assigned risk plan, have been introduced in the house and senate. A measure to provide for an unsatisfied judgment fund passed the senate but was defeated in the house. This would strengthen the safety responsibility law and increase limits to 10/25. A similar bill, including the recommendations of a committee which studied the problems of uninsured motorists for the past year, also provides for revisions in the safety responsibility act, including filing proof of responsibility for any conviction on a moving violation when the vehicle owner is not insured. This was passed by the house and amended in the senate. The two latter bills are now in a conference committee.

Another bill would prohibit liability insurers from using charitable immunity as a defense in cases involving policies issued to any eleemosynary institution.

Aetna Fire Promotes McCulloch In Canada

Aetna Fire has promoted H. F. McCulloch from associate manager to manager of the Canadian department at Toronto. He succeeds R. H. Leckey, retired. George R. Allen, formerly superintendent of agencies at Toronto, has been named assistant manager. Mr. McCulloch joined Aetna's Canadian department in 1938. Appointed marine supervisor in 1944, he was advanced to marine superintendent in 1953. He was made assistant manager of the Canadian department in 1956, and associate manager in 1957.

Mr. Allen was with Canadian Underwriters Assn. 16 years, first in the stamping department and later in the casualty department. He joined Aetna Fire in 1946 as special agent and was promoted to superintendent of agencies in 1956.

Dallas Clinic Covers Management, Production

An agency management and production clinic is being conducted March 20 by Dallas Assn. of Insurance Agents.

In the form of a question and answer panel discussion, the morning session is devoted to problems of agency management. Panelists are Dwight W. Sleeper, James W. Thomas, W. R. Rucker, William L. Carter Jr., S. B. Burt, Harry Tatum, Mrs. Joyce Thorpe, Mrs. Opal Jones, Stagg Renz and R. C. Bibby.

The afternoon panel, which will discuss production problems, includes Max Schied, Carl H. Hunt, Carie Welch, Charles Bailey, Surrey G. Shaffer, C. E. Swallowell, Arthur H. Stern, and Messrs. Sleeper, Thomas and Carter.

Hardware Mutuals of Stevens Point are enlarging the Seattle sales office to a complete service office.

Corroon & Reynolds Group Had '58 Gains

The annual statements of the companies in Corroon & Reynolds group—American Equitable, New York Fire, Globe & Republic and Merchants & Manufacturers—show total assets of \$91,086,654 at the end of 1958, compared with \$79,879,125 for the previous year. Surplus to policyholders was \$47,245,058, but on the basis of actual market value of securities at Dec. 31 and taking credit for unauthorized reinsurance, surplus was \$47,209,266, an increase of \$11,662,711 compared with Dec. 31, 1957. The increase in policyholders' surplus by companies was as follows: American Equitable \$4,799,431, New York Fire \$3,500,011, Globe & Republic \$1,929,644, Merchants & Manufacturers \$1,433,625.

Net premiums of the four companies aggregated \$33,614,152, in comparison with \$33,454,305 for the previous year.

The ratio of losses incurred including adjustment expenses to premiums earned was 55.1 as compared with 58.2. Underwriting expense ratio to premiums written was 45.8 as compared with 46.7. Unearned premium reserve decreased \$924,888 during 1958. The statutory underwriting gain for 1958 was \$83,480 compared with a loss of \$1,790,300 in 1957.

Net investment income of the group amounted to \$2,702,228, an increase of \$59,200 over 1957.

N. C. Upholds N.A.'s Right To Deviate On Homeowners

Reaffirming his decision granting North America a 10% deviation on fire and homeowners policies, Commissioner Gold of North Carolina dismissed arguments by North Carolina Fire Insurance Rating Bureau that a company must show a reasonable profit over the previous five years on its business in the state.

The bureau, which contends no deviation should be granted if there were either no reasonable profit on all the company's business or on selected classes on which it proposed to deviate, is expected to appeal to the courts. The commissioner set April 1 as the date North America may begin writing deviated policies, allowing the bureau ample time to appeal.

Underwriting Called Success

In his decision, Mr. Gold said the evidence showed the company was successful in its underwriting on the classes for which he approved deviations and the company showed expense savings which made it possible to show some profit. He said that the statute makes clear that "the applicant may select a class in applying for a deviation. This law does not say a deviation must apply to all classes."

He discounted the argument that a company must show a profit of 5% plus % for catastrophe losses. This requirement is justifiable in establishing rates, he said, but "it is not a mandatory requirement, especially when the applicant for a deviation shows a substantial policyholders surplus, which in North America's case was \$400 million at the end of 1957." He also said the company's lack of five years' experience on homeowners in North Carolina "does not defeat a deviation because it is not a necessary standard."

Employers Mutual Liability has moved its Omaha office to 120 North 69th Street, Omaha 32.

Reach Compromise On Conn. Tax Boost

HARTFORD—Connecticut insurers and Gov. Ribicoff have reached a compromise on the governor's proposal for restoring to its former high level the tax on interest, dividends and rents received by domestic companies. The tax, under present law, reduces annually until it disappears in 1963.

Gov. Ribicoff in his budget message proposed that the tax, scheduled to go down to 1¼% this year, be restored to the 1957 level of 2½% and continue

at that rate. The compromise provides that the tax will be restored to 2½% until March 1, 1962, and then be gradually reduced until it disappears in 1972. Because of their larger reserve, life companies are considerably more affected than fire or casualty insurers.

Agreement was also reached on the tax on insurance premiums and annuity considerations, which was slated to go out of existence in 1961. The agreement continues it until 1963. Currently .5%, it will go back to the 1957 level of 1% and then reduce gradually until it disappears in 1963.

Homeowners Approved In 20 Jurisdictions

The new homeowners program as of March 9 had been approved in 20 jurisdictions. The most recent approvals were in Connecticut, Rhode Island and Tennessee. The other approvals have been in Alabama, Delaware, District of Columbia, Georgia, Indiana, Iowa, Kansas, Kentucky, Maine, Minnesota, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Carolina, and South Dakota.

Introduce Bill In Mich. To Self-Insure Schools

LANSING—The Michigan legislature has finally received a long-heralded bill seeking to create a mandatory insurance fund to cover public school district properties throughout the state. The bill would prohibit school districts from purchasing insurance, but would permit, with approval of the administering board, purchase of catastrophe coverage against losses in excess of the "security fund" reserves. The fund would pay premiums for such excess coverage.

Would Create By Assessment

The so-called "public school security fund" would be created from assessments by the districts of \$1 per enrolled pupil annually until a ceiling had been reached amounting to \$3 per enrolled pupil. Losses would be paid on an average square foot replacement cost basis calculated on an area schedule set up by the governing board and revised annually. Contents losses also would be paid on a replacement cost basis but if the property were not replaced, the payment would be made on a depreciated value basis. A \$100 deductible might be raised to \$500 if the board found administrative costs for meeting small losses were excessive. Coverage, in addition to fire, would embrace hazards of lightning, windstorm, riot, hail, falling aircraft or missiles, earthquakes or cyclones.

The self-insurance plan is the brain-child of school business managers, chiefly those in Grand Rapids and Flint, who have claimed that premiums now collected by private insurers are excessive compared with claims paid and that settlements do not cover losses on an actual replacement basis. Michigan Assn. of Insurance Agents opposes the plan and has circulated a brochure among school board members and other interested citizens.

Babaco Prepares Booklet For Inland Marine Men

Babaco Alarm Systems of New York has prepared a booklet for inland marine underwriters, agents and brokers to give answers to questions about theft security and alarm protection. The booklet explains details concerning the use and importance of the Babaco alarm as an underwriting and risk improvement aid. Babaco is offering the booklet free to underwriters and agents who wish to use it in developing either new inland marine business or to improve hazards of existing business.

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Commercial Credit Insurers Produce Income Of \$8 Million

The annual report of Commercial Credit Co. summarizes operations of the insurance subsidiaries, which in 1958 produced aggregate net income of \$7,906,844.

The companies are Calvert Fire, Cavalier, Cavalier Life, American Credit Indemnity and American Health.

The big operation in this group is Calvert Fire, the auto PHD insurer, which had earned premiums last year of \$22,948,566, a reduction from the \$26.3 million in 1957.

The consolidated statement, excluding Cavalier Life, which is carried as an investment, shows assets of the other four insurers at Dec. 31 of \$87,373,000, and net surplus of \$46,063,000; unearned premiums \$27,954,000 and loss reserves \$7,150,000.

The companies (again excluding Cavalier Life) had earned premiums of \$30,052,000, a net underwriting profit of \$3,524,000, investment income \$2,245,000. Cavalier Life's net profit was \$4,228,000 to produce the net income on a consolidated basis of \$7.9 million.

Commercial Credit comments that the proposed tax law on life companies would further penalize credit and/or group life insurers such as Cavalier. "Whether the life insurance activities of this subsidiary will have an opportunity to develop beyond the credit and group life fields depends in large part on the outcome of this legislation," it noted.

Donegal Mutual has been licensed in Florida.

Rate, Rule And Form Changes By NYFIRO In Business Interruption

New York Fire Insurance Rating Organization has revised several rates, rules and forms, effective March 9.

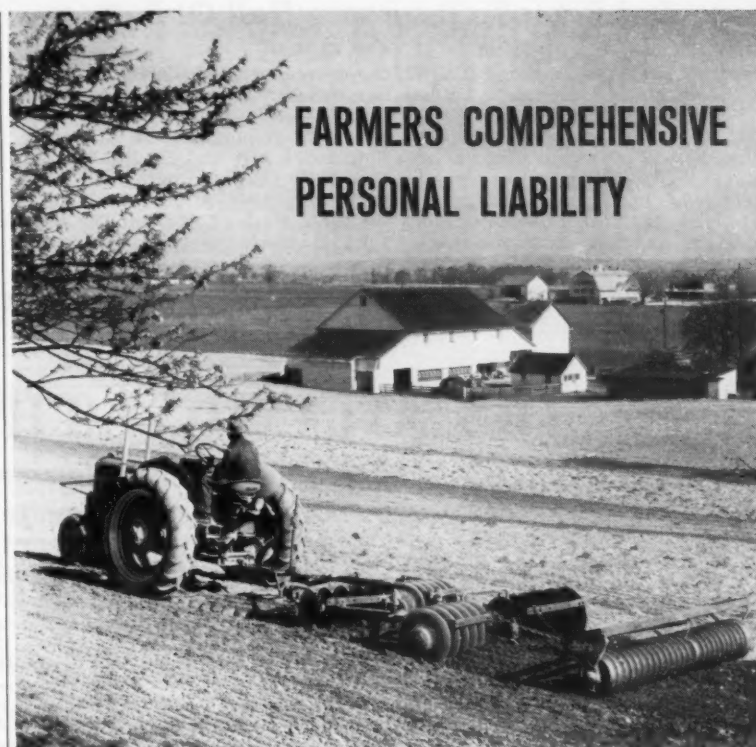
The principal change is the withdrawal of the two-item coinsurance business interruption forms—No. 1 for non-manufacturing risks and No. 2 for manufacturing risks. Optional ordinary payroll exclusion and limited coverage endorsements are provided for attachment to the gross earnings business interruption form No. 3 (mercantile or non-manufacturing) or No. 4 (manufacturing) when it is desired to approximate the coverage formerly obtained under the two-item forms.

Percentages Are Revised

The percentages used in determining the appropriate business interruption rates have also been revised. All U&O blanket and specific rates are withdrawn.

A time element section of the general rules now contains rules and rates for all time element coverages. A new mandatory alterations and repairs clause has been provided for use with specific forms, to limit extension of coverage to additions to an amount not exceeding 20% of the coverage on the existing building.

Additional extended coverage endorsement rates, rules and forms were also withdrawn. EC rates are reduced on fire resistive grandstands with incombustible or two inch plank roof structures and EC and vandalism and malicious mischief rates are reduced on specifically rated fire resistive buildings in course of construction.



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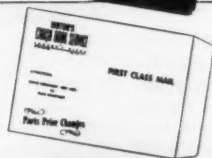
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Dean And Ecker To Insurance Hall Of Fame

(CONTINUED FROM PAGE 4)

award was presented on behalf of Ohio general agents of Connecticut Mutual by Victor K. Miller, Columbus.

The annual insurance conference of which the hall of fame ceremonies are a part actually consists of two separate meetings—a life agency management conference, this year a two-day affair, and a fire and casualty conference.

Speakers at the agency management

conference included Clarence B. Kenney, Allstate Life; Edward A. Green, John Hancock; Robert I. Mehr, University of Illinois; Robert A. Rennie, Nationwide Life and Paul A. Norton, New York Life, who participated in a panel discussion of "The Problem of the Mass Market." William W. Wray, John Hancock, presided. Davis W. Gregg, president American College of

Life Underwriters described "Chaos Limited" at the luncheon get-together.

On the second half of the agency management session, C. Richard Pettigrew, College Life, told "Which Problems to Solve?" The problems of training a new man for production were discussed by a panel composed of Lee Buck, New York Life; Nathan Paulus, State Mutual Life, and Robert M. Best, Business Men's Assurance. W. Arthur Cullman, Ohio State University, acted as moderator.

The morning session of the fire and casualty conference featured a panel of insurance educators who tackled an insurance survey problem. Douglas N. Avery, secretary Ohio Assn. of Insurance Agents presented the facts of the case—a furniture store. Succeeding speakers described separate insurance aspects of the risk. George Hare, State Auto Mutual, who discussed fire and allied lines exposures and coverages, received his assignment a scant two hours before the program got under way. A last minute substitute for Curtis N. Elliott, professor of insurance at University of Nebraska, who suffered a mild coronary on March 11, Mr. Hare was applauded enthusiastically for his contribution.

Acis Jenkinson, III, North America, handled marine problems; Lewis V. Irvine, Travelers, crime insurance needs; Davis T. Ratcliffe, Insurance Society of New York, liability; and Hampton H. Irwin, Wayne State University, discussed life and A&S.

Paul R. Ginger, State Automobile Mutual, presided at the afternoon session which featured talks by Eugene F. Gallagher, Standard Accident, "Revolution Unlimited," Frank Lang, Frank Lang & Associates, "Are You Fit to Survive?" and Arthur M. O'Connell, well-known Cincinnati agent "On Selling."

Comments On Apathy To Higher Education

(CONTINUED FROM PAGE 24)

insurance subjects, however, the interest today apparently wanes. I am not overlooking the very excellent CPCU program, without which the business would be a "headless horseman" in another five years. But that curriculum provides only a solid foundation on which to build toward specialization, and we are living in a world of highly skilled specialization.

Then what is the reason for the general lack of interest in education at the graduate level by insurance personnel? Perhaps part of the answer might be contained in the philosophy recently expounded to me by a man with 25 years background in the business and occupying a fairly responsible position: "Getting along with people (referring to superiors) is more important than what you know."

Most of the successful organizations in other industries provide definite incentives to stimulate job interest and personal improvement from the bottom to the very top levels. For the past four years, the Santa Fe Railroad has provided a six weeks seminar in industrial management subjects for its upper level personnel; my co-author, Robert E. Schultz, associate professor of finance at University of Southern California, is now teaching corporate finance in a four months seminar at the University of Turin, Italy, held primarily for management level personnel of the Fiat Motor Co.; for the first six months of 1958 the Chevrolet division of General Motors gave \$336,000 to its employees as awards for ideas on general improvements.

N.Y. Casualty Managers Host Insurance Press

Casualty Managers Assn. of New York City held a luncheon at the Lawyers Club there for members of the insurance press. J. C. Kreher of American Casualty, chairman of the group, presided. E. O. Field of Indemnity of North America, the vice-chairman, and Harold W. Barger, American Casualty, secretary, were at the head table.

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Marine, Fire and Casualty Insurance

CONDENSED STATEMENTS AS OF DECEMBER 31, 1958

From reports made to the New York State Insurance Department

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ELLSWORTH BUNKER <i>Ambassador to India (on leave)</i>	
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MARVIN PIERCE <i>Time Magazine</i>	
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GEORGE M. SCHURMAN <i>President, The National Bag Corporation</i>	
JOHN E. SLATER <i>Partner, Coverdale and Colpitts</i>	
JOHN SLOANE <i>New York</i>	
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CHARLES T. WILSON <i>Chairman of Board, Charles T. Wilson Company, Inc.</i>	

Atlantic Mutual Insurance Company

ADMITTED ASSETS

Cash in Banks and in Offices	\$ 4,611,206
Securities:	
United States Government	\$22,913,497
Other Bonds	16,374,663
Preferred Stocks	3,654,630
Common Stocks	14,904,055
Stock of Centennial Insurance Company (owned 100%)	6,965,505
Premiums Receivable not over Three Months Due	2,744,815
Other Assets	3,777,705
Total	\$75,946,078

Reserves:

LIABILITIES

Claims and Claims Expense	\$17,718,406
Unearned Premiums	18,556,221
Expenses and Taxes	1,192,258
Reinsurance in Non-Admitted Companies	465,288
Miscellaneous	531,533
Cash Dividends Declared but not Due	1,683,126
Other Liabilities	4,451,484
Total	\$44,598,316

Voluntary Reserve	\$21,347,762
Guaranty Fund	3,000,000
Surplus	7,000,000
SURPLUS AS REGARDS POLICYHOLDERS	31,347,762
Total	\$75,946,078

United States Government Bonds carried at \$874,506 are deposited for purposes required by law.
Securities are carried at values prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 1958 actual market quotations for all securities owned, total Admitted Assets would amount to \$75,040,854.

Centennial Insurance Company

ADMITTED ASSETS

Cash in Banks and in Offices	\$ 1,356,367
Securities:	
United States Government	\$ 7,904,418
Other Bonds	6,027,560
Preferred Stocks	909,200
Common Stocks	3,234,596
Premiums Receivable not over Three Months Due	919,530
Other Assets	1,398,331
Total	\$21,750,002

Reserves:

LIABILITIES

Claims and Claims Expense	\$ 5,906,135
Unearned Premiums	6,185,407
Expenses and Taxes	400,822
Reinsurance in Non-Admitted Companies	155,096
Miscellaneous	130,774
Other Liabilities	2,006,263
Total	\$14,784,497

Voluntary Reserve	\$ 1,078,204
Capital	1,500,000
Surplus	4,387,301
SURPLUS AS REGARDS POLICYHOLDERS	6,965,505
Total	\$21,750,002

United States Government Bonds carried at \$1,010,536 are deposited for purposes required by law.
Securities are carried at values prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 1958 actual market quotations for all securities owned, total Admitted Assets would amount to \$20,919,098.

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Sues For \$100 Million In Brooklyn Pier Loss

Luckenbach Steamship Co. has filed suit in the federal court in Brooklyn for \$100 million as a result of the fire and explosion which destroyed the company's Broadway pier in Brooklyn Dec. 3, 1956. The insurers estimated at the time that the loss cost them approximately \$15 million.

Defendants are H. Muehlstein & Co. of New York and Coast Manufacturing & Supply Co. of Livermore, Cal. Each was sued for \$50 million.

The fire and explosion killed 10 and injured 200 persons. Luckenbach states in its complaint that it already has been sued for \$48 million in damages, deaths, and injuries.

Cargo Inflammable

The complaint charges that Muehlstein & Co. owned 705 bags of scrap rubber stored on the pier, that the cargo had spilled onto the pier, and that the fire was caused by the rubber scraps. The company stated that it had accepted the shipment subject to terms of a bill of lading that required the shipper to notify the steamship line that part of the cargo was inflammable. The complaint charges that Muehlstein did not notify it to this effect.

The other defendant was consignee of almost 2,000 cartons of fuses that exploded on the pier. Luckenbach charges that the explosion was caused by the negligence of Coast Manufacturing & Supply Co.

State Farm To Change Two Offices In July

Two more State Farm regional offices have been designated for autonomy under the management decentralization program. The West Central office at Lincoln, Neb., and the Northwest office at Salem, Ore., will convert to the new system of operations July 1. Six promotions were announced in connection with the conversions.

Mvron Dean, regional agency vice-president, will go to Salem as regional vice-president of the Northwest office. Edward B. Nelson, presently resident manager there, will become deputy regional vice-president. The other deputy regional vice-president will be Ian M. Auld, currently assistant California state director.

Mr. Dean was senior consultant with LIAMA before joining State Farm in 1953. He has authored such LIAMA management publications as "Selecting the Career Man," "Management and Your Future," and "Introduction to Programming."

Keith Jump, resident vice-president of the West Central office, will head the management team there as regional vice-president. His deputies will be John C. Morris, presently vice-president and secretary of State Farm Life, and Loren Andrews, now associate Nebraska state director.

With the conversion of the two offices in July, six of State Farm's 15 regional headquarters, covering all or part of 20 states and handling almost 40% of its total auto business, will be decentralized with agency and operational responsibilities combined at the regional office level.

Elkhart Insurance Women Organize

Elkhart, Ind., Assn. of Insurance Women has been organized with Mrs. Daisy Mills, president; Mrs. Lela Wright, vice-president; Miss Ruth Ransbottom, secretary; and Mrs. Marlene Miller, treasurer. The group has voted to affiliate with the national organization.

Results Of American Independent Re Good

American Independent Re of Orlando had an underwriting gain of \$53,522 in 1958 compared with a loss of \$47,320 in 1957. Premium writings dropped to \$1,559,336 from \$2,276,734.

Walter L. Hays, president, noted in his report to stockholders that this reduction was due to "growing pains" the company encountered in 1957 when volume was out of line with capital structure. Management had only about one-third of its originally planned capital of the authorized one million shares with which to work. Mr. Hays stated that the company could take advantage of opportunities to expand if properly capitalized.

Policyholders surplus increased by \$185,083 to \$1,382,758 in 1958. Unearned premium reserve decreased by \$79,725 to \$585,765. Investment income was \$77,859 compared with \$50,466. Net income was \$131,380 against \$3,146 in 1957. Assets were down from \$2,651,815 to \$2,638,918. Composite underwriting ratio was 97.78 compared with 97.13.

Indiana Field Men Honor Three Retiring Members

Indiana Capital Stock Insurance Assn. held a farewell party for three retired members—Carl D. Redman, field manager Factory Insurance Assn.; J. E. Miller, manager Ohio Farmers, and George E. Armstrong, associate manager Phoenix of New York. Approximately 65 members of the field club attended the Indianapolis affair, the special guests being C. E. Curtis, president Ohio Farmers; W. L. Sundstrom, assistant general manager FIA; Robert E. Sink, executive assistant of FIA; Harry E. McClain, executive secretary Indiana Assn. of Insurance Agents, and Joseph Culligan, Culligan Fyrprotexion of Indianapolis.

Master of ceremonies was John F. Kennedy, state agent Phoenix of Hartford. E. P. Ressler, National Fire, recounted the careers of each of the guests and presented each of them with a portable radio in behalf of the association.

Uphold Ohio Rule On No Liability For Trespassers

A special Ohio court of appeals has upheld the 52-year rule of law in a case deciding the liability of an owner of a backyard swimming pool in which a neighbor's child took an uninvited swim and drowned. The court ruled there was no liability because the owner had no duty to protect trespassers of any age. In unanimous finding, the court held:

"It is not the duty of the occupier of land to exercise care to make it safe for infant children who come upon it without invitation."

The case was brought on appeal of the child's father from Hamilton county court, which had thrown it out.

Dunning Trinity Universal Manager At Grand Rapids

Allen D. Dunning Jr. has been appointed Grand Rapids service office manager of Trinity Universal. He has had several years experience in multiple line work in the midwest.

New York Mariners Club Hears Winchester On Losses

New York Mariner's Club at its March dinner meeting there heard Phillip Winchester, formerly general

manager of General Adjustment Bureau and now president of Winchester Associates and Louis Pitcher & Co., New York. He discussed general problems of losses and loss adjustments in inland marine.

Quail Named By Standard Accident

Standard Accident has appointed Roger F. Quail assistant manager at Philadelphia. He has been manager of the bond department there since 1955 and will retain that position.

Mr. Quail entered the business with Standard Accident as a bond underwriter at Detroit in 1931. He was manager of the fidelity bond department there from 1948 until going to Philadelphia.

Atlantic Names Hawley Casualty Secretary

Atlantic Mutual has appointed E. Kenwood Hawley casualty secretary. He has been assistant production manager. He will assist Edgar E. Isaacs, vice-president, in the general administration of the casualty operation.

Cincinnati Has Good Year

Gross premium volume of Cincinnati increased in 1958 to \$2,518,825 from \$1,511,786 the year before. The largest part of the increase was in casualty.

Surplus to policyholders was boosted by \$302,971 to \$1,000,941, partly by contribution of \$180,000 from sale of additional stock. Assets Dec. 31 were \$1,999,664.

The over-all loss ratio was 57.2, and the combined loss and expense ratio was 91.7. The company showed an underwriting gain of \$26,715 and an investment gain of \$55,480.

Balboa Names Dawson In Hawaii

Balboa has appointed Herbert J. Dawson supervisor for Hawaii. He has been supervisor of the loss department.

Milwaukee Auto Mutual Reports

Milwaukee Automobile Mutual in 1958 had premiums of \$6,479,504, an increase of 11%. Surplus at the end of the year was \$5,588,352. The company had an underwriting gain of \$287,554. Assets were \$12,599,460.

State Farm F.&C. Has 21% Gain In Direct Premiums

State Farm Fire & Casualty's 1958 direct premiums totaled \$25,671,512, a 21.1% increase over 1957. Fire business earned premiums totaled \$20,991,776 for State Farm F.&C. and its parent company, State Farm Mutual Automobile, which assumes its fire affiliate's reinsurance. Of this amount, \$17,542,176 was for fire and EC, \$2,831,677 for homeowners, \$606,522 for hail on growing crops and \$11,401 for allied lines.

Underwriting profit was \$916,575 after addition of \$2,193,267 to unearned premiums. Net investment gain was \$761,099. Surplus was increased by \$1,506,578 after \$169,068 dividends to policyholders and miscellaneous adjustments.

At year-end, assets were \$30,954,141, policyholders surplus \$10,130,303.

Cal. Blue Cross To Try Insuring Persons Over 65

California Physicians Service (Blue Shield) is initiating an experimental health insurance plan for persons over 65. There are 1,217,000 people in the state in this age group.

The plan will pay for surgery, diagnostic visits and laboratory services and for 50 office consultations a year. It will not cover hospitalization. Rates have not been determined but patients tentatively would pay \$1 for office and hospital visits and \$2 for house calls with Blue Shield paying the balance. Doctors of California Medical Assn. have agreed to scale their fees down to 60% of standard.

Pa. Holds Hearing On Auto Rate Filing Of Bureau

Commissioner Smith of Pennsylvania, after National Bureau of Casualty Underwriters had filed for increased automobile liability rates, promptly called a hearing for March 19 in Harrisburg. In announcing the hearing, he said the filing asks increases in rates for many territories and classifications, and that the rate adjustments cover private passenger cars and commercial vehicles and garages.



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Cries For Marketing Action Are Echoes Of Familiar Refrain

(CONTINUED FROM PAGE 2)

merchandising program was the answer to the agency company problem.

Mr. Petersen noted that the companies are faced with a task of salesmanship much more difficult than in other lines of business. A finer skill is required to deal with an independent agency force than with a crew of salesmen who can almost be taken by the scruff of the neck and set to work opening doors. The local agent has independent status, but care should be taken that he does not pay too great a price for his independence.

The independence which can cause the agent to coast after he has established himself is a luxury that cannot be indulged without leaving the door wide open for mass sales organizations. These competitors can make a sales impact far disproportionate to their size simply by being in circulation, barking their wares up and down the street while the agent is enjoying his independence.

Yet the agency companies and their producers are dripping with manpower

and talent. They could win the competitive battle hands down if all became imbued with a zeal for merchandising. Mr. Petersen urged company executives to take aggressive and vigorous sales steps. He advocated sales training for company men and agents. He also said that sales spirit should be absorbed by bureaus and other organizations. Every desk and job in the business is a cost burden that can be neutralized and put into the profit column only through sales.

Move Back To 1953

Let us now move back a year in time to 1953, but actually closer to this occasion. Here at Pittsburgh I-Day, six years ago, W. Howard Stewart of the Helmbold & Stewart agency of Clearfield, Pa., asked: "Are we like the merchants of another time fighting to hold our position and rights so hard that we are laying the groundwork for our own destruction?" He pointed to the volume of automobile business written by "chain store companies" in

Pennsylvania in 1952 and the difficulty of competing with them.

He said if both companies and agents blindly and treacherously hold their position, the threat won't be cured and the insurance made and sold by the American system of individual enterprise will slip through the hands of the local agents and the companies through their own obstinacy. The answer seemed simple to him—underwriting profit. That formula allowed the companies as the margin between loss cost, overhead, expense and net profit. The old merchant said he had to have a 20% markup. The chain store operated on less.

Mr. Stewart said: "We insist on a commission rate justified once because sales effort was required. But having sold this idea of protection must we always have a commission rate established when it was a selling job? Let's face it. Once on our books, business is easily renewed. Will we insist on continuing our way of life until we are denied the business?" He indicated

that he would rather write a thousand cars at a price that would compete than 300 with a high commission.

And then he concluded: "Let's take our hands off the throats of the companies when they talk commission and join hands with them to salvage a common problem."

Other Factors Identified

At the Tri-State Mutual Agents Assn. meeting at Baltimore in 1954, B. S. Warfield of Pennsylvania Threshermans Mutual said that the price advantage of direct writers is not entirely due to acquisition costs, but rests on a combination of five factors—continuous policy forms, direct billing, cash in advance, signed applications and producers' compensation. That five year old formula has a familiar ring and is still provoking arguments.

Kenneth Ross of Arkansas City, then vice-president of National Assn. of Insurance Agents, spoke to that organization's national board of state directors at Seattle in 1954. He said that agents would not allow the agency system to die on the vine. But they had their work cut out for them. Present conditions (1954) demand willingness and ability to disregard cherished habits of thought. Agents should drop the idea that change comes slowly.

Buying habits are changing, he noted, and regardless of what agents want, the public is going to buy insurance on its own terms. It can be made to buy through local agents only through intelligent, efficient and aggressive marketing. Agents must service as they never have before and sell insured on the value of that service. They must develop a broad program of institutional advertising that will make the public want to do business through their system of merchandising.

Advised Re-exploration

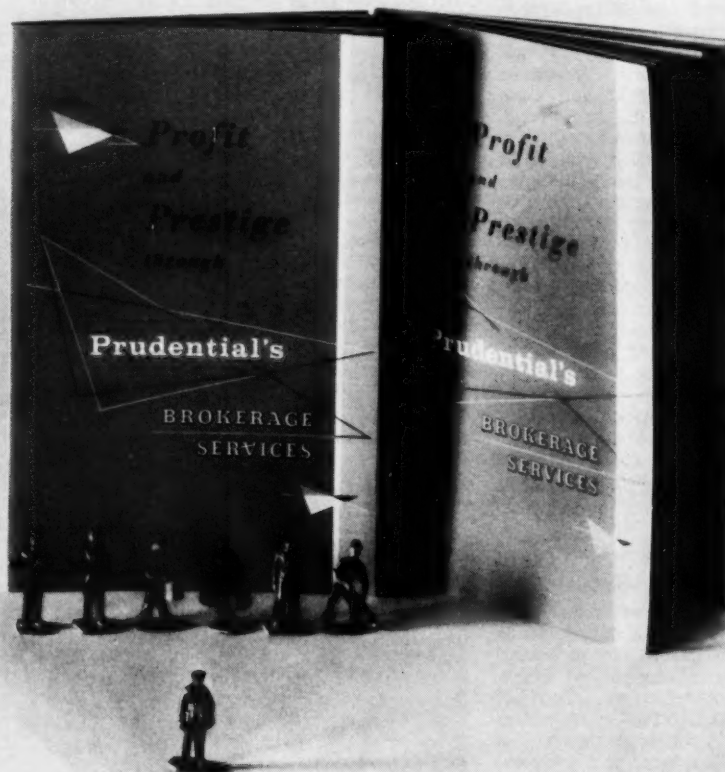
The late Donald C. Bowersock, president of Boston and Old Colony, spoke at the Eastern Agents Conference in 1954. He advised re-exploration of agency company methods and consideration of the question of whether insurance required by masses of the public should be developed on a mass production basis and serviced similarly to reduce costs. He wondered if it was desirable for insurers to set up service offices to do on a mass basis the work individually performed by agents at greater costs. This would enable agents to do more selling, he said.

He asked whether company bureaus and statistical organizations should be merged to provide maximum underwriting skills and statistical talents, using the latest machines at minimum cost. He recommended the broadening of as many forms of coverage as possible so that individual selling would be required to give insured maximum protection. Mr. Bowersock asked at what point agents can justify insured paying them for their knowledge and skill more than is charged by the direct writer.

Buyer Comments

So far we have considered the opinions of those in the business. A buyer's view is refreshing. Eugene Dougherty, insurance manager of Anheuser-Busch, said at a sales congress of Casualty & Surety Underwriters Assn. of Kansas City in 1953 that agents should awaken to the sober fact that they have no guarantee of perpetuity, no inalienable right, no vested interest in the economic structure of the country. Their continued existence can only be justified by the service they give the insurance business and the

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public. Such platitudes as free enterprise, the American Way and similar slogans can no longer be used as a persuasive argument in maintaining the agents' position in the business.

Finally, the files of THE NATIONAL UNDERWRITER disclose a battle cry which might be sounded again today. Speaking at the midwest conference of National Assn. of Insurance Agents in 1953, H. Clay Johnson, deputy U. S. manager of Royal-Globe, said the bell has rung and it is time for the agency system to come out of its corner fighting for its life.

The public must be made to understand the value of the agent's service and the contribution he makes to his community, as well as his relationship to the American system of business.

Agents must guard against exacting an unreasonable charge for their services in respect to business which is bought not sold. Agents must develop a public relations program at national, state and local levels with company assistance. The agency system is being challenged right and left by economic and political trends which can vitally affect its right to survive.

Prescription Not Followed

From this review, it is apparent that the prescription for the marketing ills of the agency companies has long since been written. Not all the recommended ingredients are palatable, however, and the business is still holding the dose gingerly under its nose, working up the will to swallow. Some partial remedies have been taken in the last few years.

Package policies have been developed as a competitive device, both in the personal and commercial fields. Early experience has led to refinements in some of these, notably homeowners. A number of companies have developed budget plans in line with the modern trend of paying for everything monthly with a coupon book. Under some of these plans, insured can pay for every type of coverage, including life, with one check.

Campaign In Second Year

National Assn. of Insurance Agents has developed the "Big I" advertising campaign which is now in its second year. The number of subscribers to the program would not indicate that a sufficient number of agents realize the pressing need to get their message across. Some companies have stepped up their national advertising and almost invariably have emphasized their commitment to the agency system by making the agents' service the crux of their message. Company direct mail and promotional materials have attained new standards for sales appeal

and practical use. But the fundamental, basic prescription has not been completely followed.

Boiled down, that prescription calls for an insurer to recognize itself for what it really is—a marketing organization. When marketing is mentioned, some company managements have a tendency to regard it as a thing apart—a separate function. They conceive of a marketing program as a campaign in which the agency force, the field force and the company advertising and promotion men are apt to take off on enthusiastic but short lived forays. This has often happened precisely because the marketing function has been regarded as an isolated activity.

Part Of Marketing

Underwriting is part of marketing. What else is it but the determination of where the company shall do business, with whom, in what classes, in what amounts and on what terms? Underwriting is not a brake on the marketing effort; it is a pre-determinant and a continuing guide to the company's sales goal. The investment function, which has long engaged so much of management's attention, is an end result of marketing. Needless to say, so is the loss function. Every job in a company is justified only by sales. Supporting the entire structure is the agency system which is in effect the retail outlet of the insurer's marketing organization. From top to bottom then, an insurer is devoted to one purpose—selling at a price the public will pay and which will produce a profit for the insurer and equitable compensation for all involved in the operation.

The job facing insurers is to modernize this sales organization. This cannot be done on the basis of generalities. How can an insurer improve its marketing if it does not know in detail where it stands today? For example, does every insurer know where its business is coming from? Analysis of one company's business revealed that 42% of its agents were producing less than 2% of the company's total volume. It cost \$600 just to carry an agent on the books. How many marginal producers does each insurer have?

What do insurers know about the selling habits of agents in general? This question is prompted by sweeping statements made about automation. It has been said that this will permit companies to take over paper work and free agents for full time selling. What does this mean specifically?

In the largest agencies where a great proportion of premiums originate, certainly the principals are not occupied with paper work. Nor are their solicitors. Paper work is performed in

departments of the agency with adequate personnel and machinery set up for that purpose. If work is shifted to insurers with electronic equipment, the agency staff could then be reduced, and machinery presumably disposed of. But to what degree if any would the principals' and solicitors' selling time be increased?

What Effect On Smaller Agent?

What effect will automation have on the smaller agent with primary real estate interests and with banking and building and loan connections? Is his insurance business mainly a by-product of these activities? Is he an insurance salesman at all? Is taking paper work out of his office by centralized insurer automation going to convert him into a full time or even primarily an insurance salesman? Or will he still be mainly occupied with

his basic interest, real estate or whatever it may be?

In between the extremes of the largest agencies and the smallest are an infinite variety of agents with varying selling habits. A thorough knowledge of the practices of all these agents is needed to determine the possible effect of company automation on selling. Generalizations that automation will transform the present agency system into a corps of full time salesmen may not necessarily be true.

At all events, an insurer will have to obtain factual data on where and how its business is presently originating before it can intelligently cope with the question of further market potential and how to achieve it.

Proceeding on facts—not on opinions or wishful thinking—the insurer can set up its internal organization on the premise that marketing is the reason

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WABash 2-7515

for its being. A marketing division—as distinguished from what is generally known today as the production department—will then be created and the responsibility will be assigned to a top official. All activities concerned with sales will be integrated under his direction. He will have the guidance of underwriters who will identify the products the company wishes to sell and will keep a constant check on what merchandise is producing a profit. The marketing head will have the assistance of market experts and analysts who will develop, refine and improve

coverage, policies and forms. Field and branch administration will be integrated in the over-all program. The field man will gradually emerge as a district sales manager, responsible only for production of business, and recruiting and training new agents. All company advertising and sales promotion will reflect the current purposes and objectives of the marketing program at all times. Backed by these resources, the agent will be ready to compete. You may consider this a pipe dream. Yet, what I have described is nothing more than the typical marketing or-

ganization of the competitors who started the so-called marketing revolution. They have had this set-up for years. Its efficiency may be judged by their progress.

Oddly enough, such an organization is also nothing more than the sum of what the agency company commentators on marketing have recommended over the years we have reviewed here today. A few agency companies have begun to take their advice. All insurers must eventually do so. The reason why they must, and without too much delay, was well stated recently by

Merlin J. Ladd of Boston, president of National Assn. of Insurance Brokers. He said the public does not care what insurance marketing system is used if the net result is satisfactory. Unless agency system premiums increase as the population and the demand for insurance increases, "we have no future at any commission rate." He added that agency system actions must result in an expanding market for its services. He advocated an over-all industry view by producers, for their interests in the long run coincide with the public interest and that of their companies.

FEDERAL INSURANCE COMPANY

Fifty-eighth Annual Statement

December 31, 1958

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ASSETS

United States Government Bonds	\$ 57,806,251
All Other Bonds	31,151,284
Preferred and Guaranteed Stocks	5,478,140
Common Stocks	65,116,126
Stock of Vigilant Insurance Company	14,497,549
Stock of Colonial Life Insurance Co.	4,533,198
Cash	9,628,564
Premiums not over 90 days due	3,230,896
Other Assets	5,331,191
TOTAL ADMITTED ASSETS	\$196,773,199

LIABILITIES AND SURPLUS TO POLICYHOLDERS

Unearned Premiums	\$ 43,214,484
Outstanding Losses and Claims	29,548,911
Dividends Payable	1,543,958
Taxes and Expenses	6,342,993
Funds Held Under Reinsurance Treaties	3,063,579
Non-Admitted Reinsurance	5,145,531
TOTAL LIABILITIES	88,859,456
Capital Stock	12,351,664
Surplus	50,514,272
Unrealized Appreciation of Investments	45,047,807
SURPLUS TO POLICYHOLDERS	107,913,743
TOTAL	\$196,773,199

Investments valued at \$6,899,529 are deposited with government authorities as required by law.



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Notes Unusual Number Of Annual Fire Policies

In connection with the recent change in term multiples in West Virginia, the bulletin of West Virginia Assn. of Insurance Agents comments on the large percentage of business in that state which is written on the annual basis.

There are some who insist upon an annual policy, the bulletin notes. But it appears that in nearly all cases it is to the advantage of insured to have the policy written for three or five years. "It is difficult to understand why any insured would voluntarily obtain fire insurance on an annual basis when he is offered such a substantial discount on a term basis."

The bulletin also comments on the number of complaints to the insurance department in connection with settlement of fire losses to contents. This indicates the need for accurate inventory prior to loss, the agency publication states.

Butler U., Indianapolis DITC, Come To Parting Of The Ways

Indianapolis DITC, in a disagreement over class room assignments, has severed its connection with Butler University, where the council course was pilot-tested for the nation in the spring semester, 1954, and has been run every school semester since. The course has been transferred to class room facilities provided gratis by Indianapolis Life.

"As a member of the Butler alumni association," said R. W. Osler, editor The Insurance Salesman, "I regret that Butler appears insensitive to the public relations value of having its name connected with the Indianapolis course and cannot help but note an inconsistency in the fact that while soliciting the support and financial contributions of Indianapolis business men, it imposes conditions that drive them off its campus."

The spring, 1959, Indianapolis DITC course opened last month with Pasquale Quarto, formerly of LUTC and now of R&R, as instructor. Course director is Earl Mulcahy, American United home office.

Returns To Wash. Department

Jerome G. Bradley has returned to the Washington department as chief examiner after a year with Milliman & Robertson, Seattle actuaries. He has been with the department 20 years and before that was in the actuarial and underwriting departments of Northern Life of Seattle for 11 years.

Quad-City Insurance Women's Club—Moline, East Moline, Rock Island, Ill., and Davenport, Ia.—is host for the annual region 5 conference of insurance women, LaClaire Hotel, Moline, April 3-5. Miss Gladys Barth, region 5 director, Madison, Wis., will preside.

Program Ready For Eastern Agents And I-Day At Buffalo

The program has been substantially completed for Eastern Agents Conference at the Statler-Hilton, Buffalo, April 5-7. On April 7, the program will be combined with Buffalo I-Day.

The traditional get-together buffet dinner will be held Sunday evening. Monday will start with the state presidents breakfast and continue with the business session and conference committee report by E. Stuart Windsor of Baltimore, and Frederick W. Doremus, manager of Eastern Underwriters Assn. Kenneth O. Force, executive editor of THE NATIONAL UNDERWRITER, will close the morning session with a discussion of "Hot Copy and Cold Facts."

A state presidents panel will feature the afternoon session with H. Earl Munz of Paterson, N. J., as moderator. Harold K. Philips, director of public relations of Assn. of Casualty & Surety Companies, will talk on strength through sound communications.

Public Relations Breakfast

The annual public relations breakfast sponsored by Eastern Underwriters Assn. will be held Tuesday. At 10 a.m. the joint bill of EAC and Buffalo I-Day will be presented. With Roy C. Blondillo of Buffalo presiding, panels will be presented on time element coverages, inland marine, and municipal and board of education insurance accounts. In addition, Buffalo CPCU chapter will present a special panel. Participants in the panels include Frank K. Peterson, vice-president of Buffalo, Edward A. Ryder, eastern inland marine manager of St. Paul F.&M. Roy H. MacBean of Cranford, N. J., Emil Karam of West Orange, N. J., Paul V. Hartelius, vice-president America Fore Loyalty, Preston W. Grant of Washington, D. C., and Henry Franz of Clifton, N. J.

Archie M. Slawsby, Nashua, N.H., NAIA president will speak on "28 Flavors, Why?"

At the luncheon, J. W. Middendorf, insurance stock specialist of the New York stock exchange firm of Wood, Struthers & Co., and author of "Investment Policies of Insurance Companies" will discuss competition and insurers. Arthur M. O'Connell of Cincinnati will close the conference with a talk on "Is This Evolution Necessary?"

Corrects Statement On Mo. Auto Rates

NEW YORK—The revised liability rates that became effective on Dec. 17, 1958, in Missouri for National Bureau companies were fully supported by verified statistical data submitted to the Missouri department on Nov. 21, 1958, and are conservatively calculated, William Leslie Jr., general manager of the bureau, stated here.

Mr. Leslie issued the statement to correct a misstatement of fact reported in insurance publications.

It was erroneously reported that at a public hearing in Jefferson City Feb. 26, a representative of National Bureau stated that the submission of Nov. 21 contained improperly coded figures.

"As the record of the hearing will show, National Bureau representative

made no such statement," Mr. Leslie said.

Mr. Leslie explained that in August, 1958, the bureau submitted statistical data to the Missouri department for its information, but that no rate revision based upon the data was put into effect. The data contained a minor coding error which was corrected prior to the Nov. 21 submission of revised rates that became effective Dec. 17.

Stresses Value Of Adjusters Handling Windshield Losses

G. S. Corcoran, manager of the automobile division of Western Adjusters, writes:

I would like to endorse Mr. Henderson's suggestion that alert claim procedures be followed in connection with windshield claims. His article entitled "Save Wasted Windshield Dollars" appearing in THE NATIONAL UNDERWRITER of Feb. 27, 1959, follows very closely the adjusting procedure we have been using. Because of the new twin-wrap windshield in current model cars, it is to be anticipated that claims will be more frequent and more expensive as greater numbers of the new cars reach the highways.

It is not alone the responsibility of the glass dealer to help control windshield losses. Rather, the responsibility of adjusting a claim with the insured should lie with a representative of the insurance company.

Research which we have conducted in connection with windshield losses proves that substantial savings can be made when claims are controlled. By eliminating payments for wear and tear, and other claims for which there was no coverage, we have closed an average of 12% of the glass claims assigned to us with no payment. By obtaining proper volume discounts and correct labor charges, additional savings have been effected on the losses which were paid.

Notes 70% Reduction

In areas where an adjuster has been assigned to the inspection and adjustment of glass claims, the frequency of new losses being reported to agents was reduced as much as 70%. It is a proven fact that when glass losses are controlled, the frequency of new losses is reduced.

Our standard procedure required that the claims be adjusted on a replacement basis only and not on a cash settlement basis. Adjusters verify the replacement and they see that the old glass is destroyed so that it does not become the subject of another claim.

We have further cautioned our adjusters concerning two current conditions. One is that special attention must be given to claims which develop during the new car warranty period. The second is somewhat allied to the manufacturer's "quality guide" referred to in Mr. Henderson's article. Windshields which do not meet quality standards find their way into the replacement market as "rejects." These "rejects" may have defects in the nature of excessive oil film between the sheets along the edge or they may have rough edges on the glass. If this type windshield is used as a replacement, the full price, of course, should not be charged by the glass company.

We have found Mr. Henderson's articles very interesting and informative, and we congratulate you for bringing this very important subject to the attention of your readers.

Modified WC Bill Advances In Minn.

ST. PAUL—A watered down bill increasing workmen's compensation benefits has been passed by the Minnesota house by the close vote of 69 to 61. It is expected to encounter stiff opposition in the senate.

The bill raises minimum benefits from \$17.50 to \$20 a week and maximum benefits from \$45 to \$57. The ceiling on death cases is raised from \$17,500 to \$25,000. Originally the bill called for an increase in maximum benefits to \$140 a week and removed entirely the ceiling in death cases.

Over strong opposition in the senate, a bill has received preliminary approval which would add extended coverage to other types of premiums now taxed for firemen's relief funds.

American Marine Insurance Forum at its March meeting, heard Frederick Dezendorf, operations manager of Moran Towing & Transportation Co., speak on the range of operations of an all around towing service, and discuss the organization and scheduling required.

AFIA Acts As Host To French Insurance Men

American Foreign Insurance Assn. was host to a group of 14 French insurance executives who are touring the U.S. The group was welcomed by Eric Arpert, vice-president, and U.S. and overseas insurance problems were discussed. The visitors also saw the AFIA film "A Worldwide Insurance Venture."

The visitors included Marc Blanchard, president-director general Les Assurances D'Aubervilliers; Charles De Clarens, president-director general Societe de Clarens, Paris; and Jacques Dupuis, president-director general Jacques Dupuis & Cie., Paris.

Ex-Governor, Not Governor

The March 6 issue carried a story entitled "Florida Eyeing UJF" in which reference was made to Gov. Warren of Florida. Leroy Collins is the present governor of the state. Mr. Warren is ex-governor. He had asked Commissioner Larson to study New Jersey's unsatisfied claim and judgment fund.



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Old Remedy Won't Solve Current Problems

(CONTINUED FROM PAGE 2)

important factor in the business.

Despite all the talk about the troubles of the business—underwriting losses, inadequate rates, unfair competition, etc.—agency system companies can't escape the fact that they have been asking the public to pay too much for insurance, Mr. Kirk said. Nobody can figure the price of anything solely on what it has always cost to produce and deliver. In fact the buyer is not interested in that side of the picture at all. He is only concerned in getting what he wants or needs. He will not knowingly pay more for goods and services that can be bought cheaper elsewhere.

Companies and agents have always been able to meet price competition by emphasizing quality protection and extra special service, but they have just about reached the end of that road for two reasons. First, they are competing against reputable insurers with strong financial backing and ample service facilities. They offer a quality product for a lot less money. Second, the buying habits of the public have been changing over the past 25 years or so, and people are no longer prejudiced against modern methods of distribution, nor are they willing to forego the economies offered by chain-store operators—whether it be for food, drugs, general merchandise or insurance.

Realistic Appraisal Urged

This means that agents and companies can no longer afford to fight a rear-guard action, and must quickly find ways to reduce the price tag on their merchandise. The efforts of some companies in this attempt—radical as they seem to agents—were rather feeble attempts to temporize with the problem on a price-meal basis. They were afraid to tangle horns with agents on some funda-

mental questions of principle and procedure.

Mr. Kirk said the business should examine every element of the price structure in a realistic manner—and take a forthright stand on every item of cost which can be reduced. A good look at the staggering volume of detail work done by companies reveals overlapping of functions and duplication of cost. Tradition should not prevent the business from getting rid of some of the costly rigamarole between the company, the agent and the policyholder. Mr. Kirk wondered if agents are sincere in arguing against such change on the grounds it would weaken the connection between them and their clients—or are they really afraid to trust the companies. This was his way of suggesting that better methods of policywriting, billing, handling accounts and renewals can be found to eliminate a lot of needless expense. This would justify reductions in the agent's commission and the company's allowance for overhead cost.

Instead of going to the courts or to the legislatures, common interests could be better defended if the leaders in agency and company ranks would pool their talents, probe the realities of the present situation together and try to reach agreement on changes which can and should be made by both sides, Mr. Kirk concluded.

Riley Ends Ad Career With American Surety

Walter H. Riley has retired as advertising manager of American Surety after more than 50 years with the company.

After prior experience in the advertising agency business, he joined American Surety in the agency department in 1908. He prepared the company's first rating manual for fidelity and surety lines. In 1918 he was named eastern district special agent and in 1937 he advanced to supervisor of the same territory. He became agency supervisor with countrywide duties in 1938.

When the company expanded multiple line writings in 1945, Mr. Riley was placed in charge of advertising and promotional materials. He is a past president of Insurance Advertising Conference.

Grange Mutual Casualty At \$10 Million Premium Mark

Grange Mutual Casualty of Columbus in 1959 increased its premium volume by \$1,374,296 to a total of \$10,476,747. Assets of \$12,636,200 were up \$2,245,887, and surplus of \$4,243,920 showed a gain of \$645,178.

The company has a loss reserve of \$4,548,349 and an unearned premium reserve of \$3,151,995.

Grange Mutual Casualty is a full multiple line insurer which has been writing only in Ohio. Recently it has been admitted in Florida and a regional office has been opened at 208 East Colonial Drive, Orlando, with Charles H. Haaf, executive vice-president, in charge.

Markham Agency Incorporates

W. H. Markham & Co., St. Louis general agency, has incorporated. Charles S. Drew is chairman, Holton R. Price Jr. president and treasurer, and C. Ford Morrill vice-president and secretary.

FIELD-TESTED SERVICE? *What's that?*

The G. A. evaluates all field-functions on one simple scale—does it do the job for our agents? You'd be surprised, too, how often that test causes us to "rewrite the book."

FIELD-TESTED service is the reason so many agencies have made General Accident *their* major company.



GENERAL ACCIDENT GROUP of INSURANCE COMPANIES

GENERAL BUILDINGS • PHILADELPHIA, PENNA.



Morton White Puts Agent's Role In Focus

(CONTINUED FROM PAGE 2)

hilt. But their true function is limited to ringing doorbells and selling at a price.

This does not disturb Mr. White. His agency sells nothing on price alone. He has many former direct writer customers on his books. He has opportunities to offer a price advantage, but he does not use them. One of his established companies recently offered representation of one of its pups for fire and allied lines at a 15% deviation. Mr. White could not imagine using this device, though some of his competitors might. He wondered how commissioners keep their sanity when, on the one hand, companies are seeking rate increases and form revisions for less coverage, and on the other asking for deviations of this type.

Must Redouble Efforts

He warned that taking on a pup company offering a rate deviation and a commission cut means that an agent has to redouble his efforts to stay as well off as he was before.

Mr. White noted that direct writer competition is comprised of non-insurance people, with non-insurance concepts and non-insurance capital, and wondered if they are to prevail. He urged every producer to engage in association activity as a first line defense. He cited the recent report of the Comptroller General to Congress, charging that because fire and extended coverage on public housing is not placed on a low bid basis, the government incurs extra insurance costs. This report was written by a 24 year old attorney, newly admitted to the bar, Mr. White observed. The NAIA was able to take its case to high government levels to defend the provision of Public Housing Authority that insurance can be awarded to an insurer other than the low bidder, provided the cost is within 20% of the lowest figure.

Pictures Own Operation

Mr. White admitted that his interpretation of the producer's place in the business was essentially based on his concept and discharge of his own role. That is doing a professional job in behalf of his customers, maintaining the rights of his companies, contributing to the welfare of the town where he makes his living, and advancing the cause of the business through association work. He urged producers who are doing this job to let everybody know about it. One good way is through support of the Big I advertising campaign of NAIA, he said. Producers should use it in every

way possible, and if necessary have it tattooed on the seat of their swimming trunks next summer.

Confidence was the main impression left by Mr. White's talk. He did not blink at the problems in the business, but instead of using recriminations or placing blame he concentrated on practical action to meet them.

Overflow Crowd Hears Kefauver

Artemas C. Leslie, former Pennsylvania commissioner, was toastmaster at the luncheon, which drew an overflow crowd to hear Sen. Estes Kefauver, the featured speaker. Commissioner Smith, a former colleague of Mr. Kefauver in the House, was an honored guest.

Among the large delegation on hand from New York for I-Day were David J. Sherwood, assistant vice-president, Fireman's Fund; Charles H. Kahrs, vice-president of American Re; John Clark of Hall & Henshaw; Kenneth J. Bidwell, Delaney Offices; William Wagner, secretary of Great American; and W. W. Clement, advertising manager of American International Underwriters.

Allstate Appoints Eger, MacArthur Assistant V-Ps

Robert D. Eger and John MacArthur Jr. have been named assistant vice-presidents of Allstate. Mr. Eger, formerly manager at Charlotte, N. C., will become automobile sales manager. Mr. MacArthur, who is now fire and related lines sales manager, was manager at Pittsburgh before going to the home office sales management group in 1957.

CPCUs And FIIC Hold Joint Workshop Type Seminar

The first international seminar to be held jointly by Society of CPCUs and Society of Fellows of Insurance Institute of Canada convened early this month at Syracuse. There were forty CPCU and FIIC members present. The theme of the workshop type program was insurance problems inherent in a risk operating in Canada and U.S. Eight members of the societies analyzed a specific risk from various standpoints.

Roulston J. Harper of R. A. Barber Co., Toronto, and Allan Harrop of Findlay-Noyes Co., New York, discussed fire and allied lines, including business interruption. The casualty and surety part of the problem was covered by Allan L. Dow of Liberty Mutual, and John T. Hoyle of North

America, Hamilton, Ont. Inland and ocean marine was covered by John P. Donoghue of Griswold & Co., New York, and R. James Paterson, of Willis Faber & Co., Toronto. The producer's problems in such a risk were discussed by Ernest S. Beal of Beal, Doering & Meen, Hamilton, and Robert D. Falconer of Picton-Cavanaugh, Toledo.

Pineo Opens Seminar

The seminar was opened by Lloyd G. Pineo, president of FIIC, and John B. Walker, America Fore, director of Society of CPCU. Bernard J. Daenzer of Wolreich & Anderson, New York, president of Society of CPCU presided at the closing ceremonies. Mr. Pineo of Marsh & McLennan, Toronto, and Mr. Walker were co-chairmen. Physical arrangements were under the direction of Harold S. Poole Jr. of Hartford Fire, Syracuse.

Indemnity Of N. A. Has New La. Office

Indemnity of North America has opened a service office at 821 Gravier Street, New Orleans, with full underwriting and production facilities. Guy E. Bissette is manager.

On hand for the opening were prominent New Orleanians, including Mayor Morrison. Attending from the home office were Herbert P. Stellwagen, executive vice-president; Reginald S. Robins, vice-president, and Robert S. Gillespie, assistant vice-president; and Richard G. Osgood, vice-president of North America.

Massachusetts senate has killed a bill to establish a flat rate for auto liability insurance. Similar measures have met the same fate in past sessions.



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WE WRITE MOST OF THE MONEY-MAKING LINES AN AGENT NEEDS

Cleveland Agents Told: Help Selves

(CONTINUED FROM PAGE 5)

necessary to handle personally 90% of all life business coming his way.

A workshop staged by Cleveland chapter of CPCU discussed agent-company relationships. Participants were Willis L. Davis, Jack I. Hersh, and Theodore A. Livingston, American Casualty, and Harold R. Woodworth, Indemnity of North America.

New Factors, New Problems

Speaking for the agent, Mr. Davis said new factors in marketing have created new problems between the agent and his companies. While the agent has serviced the field better than ever, the direct writer has been able to tap a new market for which traditional agency practices have not yet been adapted. Inflation and increasing prices have impaired loss ratios, and buyers become more and more cost-conscious as inflation strengthens. He said the solution seems to lie in a compromise between the agent and his companies, involving among other things the adoption

of uniform procedures in commerce between them.

Mr. Hersh recommended that the companies strengthen their educational and public relations programs in order to draw new blood into the sales forces of both agencies and companies. The creation of professional agents through company-sponsored and company-conducted educational facilities would upgrade the nature of business offered the company, as well as increase it. He deplored "negative" underwriting, and asked for more open-mindedness on the part of underwriters, stating also that more flexibility in rating formulas would enhance the company's competitive position.

Direct Billing Acceptable

Direct billing and similar devices, he said, would be quite acceptable to the agent if he can be positively assured of ownership of expirations. He also recommended that agents settle smaller claims, in the interest of public

relations, primarily, and urged that companies be more selective in the hiring of claims personnel, and more exhaustive in their training.

Expressing the company viewpoint, Mr. Livingston asked for better communication between agent and company toward solution of each other's problems. He pointed out that the company must be allowed to make a profit, and asked the agent's help in reducing costs. He stated that recent auto commission cuts are justified by the mathematics employed in fixing the new rates, which effected a compromise between the "old" bureau formula and the calculation methods of non-bureau writers. Production costs are not necessarily related to increased loss costs, he suggested.

Mr. Woodworth classified the problems between agent and company into three categories: Multiple representation, manpower, and communication between all segments of the industry.

Agents should be most selective in choosing the company best adapted to their particular needs, this leading to better product identity and consequently to more efficient use of company advertising. He recommended extensive use of company facilities in education, since he feels that many problems arise from lack of knowledge on the agent's part. However, faulty communication causes most problems between company and agent.

Agents Must Contribute

"A narrowing profit margin requires the agent to contribute to improving our system of distribution, particularly as a defense against the inroads of the direct writer," said John W. Frazier at the panel on cost of agency operation. Increasing the agent's take-home pay, however, is only one reason for better management practices; the public's benefit should be the primary motivation. He pointed out that part of the cost of administration consists of wasted sales potential. The agent must clear the decks to be able to reach as many people as his direct writing competitor does, and managerial duties must be delegated to clerical personnel in every way possible.

Panelist Edward E. Evans stated flatly that almost no agency can produce as much as one item per hour per office worker, defining "item" as any transaction creating an entry in the account current. To appraise agency production, he recommended tally of the number of items for 1958 against number of hours worked by the agency staff, remarking that the average will be disclosed as approximately .2 of an item per hour. Further analysis should develop the premium-per-item, and net commission per-item, as well as office expense per-item. No agency should pay brokerage commission on premiums under \$25, he said.

Supports His Contention

Hugh K. Dawson said that while direct writers claim only 7½% acquisition cost, actually only 7% is paid the independent agent. In support of his contention, he deducted from an estimated average gross commission of 25% overhead costs totaling 8½%, leaving 16½% for administrative and sales costs. If profit is 2%, the remainder is 14½%. Since half of the agent's time is spent on "non-productive" effort, chargeable as administrative or supervisory costs, this leaves 7½% for sales cost effort, out of which must come advertising and similar costs estimated at 2.7% leaving

Blum Nominated To Head N. Y. Agents

New York Assn. of Insurance Agents has nominated Arthur F. Blum of



Herbert S. Brewer



Arthur F. Blum

Rockaway president to succeed Herbert S. Brewer of Lockport. Mr. Blum is presently executive vice-president of the association. Also nominated for the early May election were Robert B. Douglass of Potsdam as executive vice-president, and Raymond A. Muth of Newark, N. Y., as treasurer. Mr. Muth is presently regional vice-president for the west central area. Craig Thorn, Hudson, was nominated as state national director.

Renominated as regional vice-presidents were George A. Kramer Jr., of Williston Park for the metropolitan-suburban territory, and Sidney Mang of Sidney for the east-north region. W. Everett Meade of Bath was nominated to succeed Mr. Muth.

Kenneth Haslam of Rosedale was nominated to succeed himself as Queens county director. He had been filling out the unexpired term of Mr. Blum. Fred Waldron of Westchester County, Donald Fazioli of Troy, W. Joseph McPhillips of Glens Falls, Arthur H. Parker of Cape Vincent, DeBanks Henward of Syracuse, and Howard Curtis of Corning, were nominated as directors.

General Of Seattle Joins Associated Aviation

The annual report of the president of General America Corp., holding company of General of Seattle, First National, Safeco and General Life, states that as of Jan. 1 "we have accepted a substantial participation in Associated Aviation Underwriters." Interests of General of Seattle group in the syndicate are managed by Chubb & Son.

ing 4¼% pure sales before taxes.

Specific techniques for reducing office costs were presented by William E. Wilson. In the realm of policy-writing, he said that his own research has indicated that mechanical production of policies is not yet feasible at the agency level, since such machinery may well create an office bottleneck, in that it requires the constant presence of a trained operator. The agent can, however, streamline policy-writing by avoiding flat cancellations, securing firm renewal orders, and obtaining full information on each risk before the policy is written, to avoid unnecessary company communications. Speculative policy-writing should be avoided, he cautioned, and renewal premiums for small policies should be collected before the policy is written.

He recommended the duplicate invoice system in billing, using standardized information for each type of policy. In billing lies the best opportunity for automation, although purchase of bookkeeping machines seems unwarranted in the average agency.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

SALESMAN

As insurance counselors to banks and financial institutions our growth and expansion during the past year has created several openings for aggressive salesmen experienced in fidelity and suretyship. If you are over 25 and have had some fundamental experience in bank insurance or fidelity bonds, then we would like to hear from you. A desire to sell top-level bank officials and willingness to travel are also prerequisites.

Thorough training in our field will be given to men of lesser experience. Those with background will be considered for early assignment to their own territory.

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Company Testifies Cover Was Approved

(CONTINUED FROM PAGE 1)

Wikler last September under the department's regulation 27A. The regulation attempts, among other things, to outlaw all forms and rates previously approved by the department and to prescribe new uniform, industry-wide forms and rates for all credit life and credit A&S. The two insurers in the case contend that the superintendent exceeded his statutory powers and jurisdiction in 27A. The regulation violates other statutory rates and is arbitrary, capricious and unreasonable in many respects, the insurers argued.

Stays Enforcement

The show cause order at Albany stays enforcement of 27A till the conclusion of that case. Since, at Mr. McGrath's request, the judge refused to limit the stay to Old Republic and Credit Life, it applies to Continental Casualty and all companies selling credit insurance. This, Mr. McGrath argues, precludes the Thacher action.

He said further that for more than 10 years A&S insurers have been required by New York statute to file forms, and the superintendent has had the power to disapprove any of them if the benefits were unreasonable in relation to the premium. The form Continental Casualty uses was approved by the department July 18, 1956.

Apparently, he said, it is the superintendent's present position that the 1958 amendment has changed the legal requirements applicable to credit policies and rates so as to require discontinuance of their use. There is no statutory base for this position. But even if there were, the superintendent is not justified in disregarding due process. He still must withdraw approval of forms and rates and the

insurer gets a minimum of 90 days after notice in which to comply.

The superintendent cannot preemptorily outlaw the use of approved forms, which is exactly what he's trying to do, Mr. McGrath charged.

The Thacher affidavit contains broad allegations of improper conduct by Continental Casualty and a large part of the business generally, Mr. McGrath said. These allegations are not on the basis of Continental Casualty's present activities but on alleged abuses by the industry in years past in the credit insurance field in other parts of the country, abuses to which the company denies past or present guilt.

These broad, unsupported allegations have nothing to do with the complaint and should not have been made, he declared. They can only operate to prejudice the competitive position of the company in a highly competitive industry. Its rates and form have been approved for 2½ years and in all that time the department has never attempted to have the rates reduced on grounds of excessiveness.

Continental Casualty has shown scrupulous regard for letter and spirit of the applicable statute, he said. The department has failed to meet any, much less all, of the tests required for a preliminary injunction.

50% Loss Ratio Standard

Paul E. Singer, assistant vice-president and chief actuary of the company, pointed out that the customary standard of reasonableness for individual A&S as recommended by the commissioners and applied by the New York department is an ultimate loss ratio of about 50%. For certain classes of policies, a lower standard is permitted. The rates for the company's credit A&S were predicated on a 50% ultimate loss ratio, and New York approved them on this basis. The policy form under attack anticipated a loss ratio of 45 to 50%. For the three years 1956-58 on the \$180,000 of business done in New York the ratio was 48.

The 1956 national loss ratio cited by Mr. Thacher for all the company's credit A&S is misleading, Mr. Singer said, because it included a number of forms not used in New York.

He said he was aware of the loss and expense ratios characteristic of group disability since his company is a major writer of it. But it is meaningless to compare such ratios with those of individual credit A&S since all the circumstances of the sale, issue and handling of the latter are more analogous with other individual policies than with group. In the past the New York department has accepted that fact, he declared.

Denies Allegations

Maurice R. Greenberg, assistant vice-president and counsel, denied that Continental Casualty is guilty of the broad general allegations made by Mr. Thacher. The charge of coercion and intimidation is not applicable to the company because its credit A&S is sold only to eligible debtors on a voluntary basis. Its purchase is the personal choice of the particular debtor.

The company does not fail to inform insured of coverage. Debtors are given evidence of insurance by delivery of an A&S policy by Continental Casualty. The policy states the benefits, the term and the premium. Consequently it also is not true that it avoids claims by failing to inform insured.

Commissions the company pays are comparable with the business as a

whole for individual credit A&S and other forms of individual A&S, Mr. Greenberg declared.

The company does not put excessive amounts of cover in force. The amount is limited to what will produce benefits equal to the amount of debt.

Seeks To Bar Insurer In 'Unapproved' Form

(CONTINUED FROM PAGE 1)

Continental Casualty paid 36% commission on \$1.5 million of individual credit A&S policies written in 1956 and only 34% in benefits. Obviously, Mr. Thacher stated, the rates were excessive since the business is produced in the same manner as group disability on which the loss experience normally is more than 65% and commissions less than 10%.

The affidavit asserted that the company and other insurers were "victimizing many debtors" and that they "hindered and perverted free and fair competition among insurers selling the coverage, to the great detriment of insurers doing business in accordance with proper insurance standards and procedures."

Continental Casualty and other insurers, according to the affidavit, have set rates designed to produce an excessive rate of return to the creditor and/or agent, represented by dividends, experience-rating refunds, commissions or other credits, with little regard to actuarial valuation of the risks involved or the benefits provided. This reverse competition continues to result in insurance charges to debtors that are unreasonable in relation to benefits.

Many Concerned About Abuses

Mr. Thacher points out that abuses in connection with insurance on credit transactions have been the source of grave concern for several years to committees of Congress, the joint legislative committee on commerce and economic development of New York state, the state insurance and banking departments and National Assn. of Insurance Commissioners.

The creditor, he stated, occupies a dominant position in the marketing of insurance in conjunction with credit transactions and in view of the inferior bargaining position of the debtor in a captive market has been able to dictate debtor's choice of coverage, rates, insurer and agent.

The situation, he declared, results in clearly undesirable practices including excessive amounts of credit cover at excessive rates that bear no reasonable relation to benefits. It results in coercion and intimidation to force such insurance on the debtor; in failure to inform the debtor of the actual cost of the insurance and the unwarrantedly high rates of commission; and in avoidance of claims by failure to furnish the debtor with evidence of his coverage. In connection with installment purchases the debtor also often is forced to pay for non-essential items concealed in unidentified extra charges under the heading of insurance, the affidavit stated.

Fund Appoints Donahoe To Fire Post At S. F.

Frank L. Donahoe has been appointed assistant manager of the Pacific fire department of Fireman's Fund. With the Fund since 1917, he has been in southern California as a special agent and chief fire underwriter at San Francisco. In 1948, Mr. Donahoe was promoted to agency superintendent.

\$150,000 Bond On \$465,000 Bank Loss

(CONTINUED FROM PAGE 1)

Life to stop using that name.

The cashier of the bank of Lyons apparently did not make a penny on the embezzlement. He said he got involved by honoring an overdraft on one of Schultz' checks. Schultz has admitted owing the bank approximately \$250,000. The complaint charges the bank cashier and Schultz with an embezzlement on one check for \$13,000.

In 1951, when Schultz was owner of Sheet Steel Mills of Indianapolis, he was indicted on a charge of making out a false bill of lading. He was sentenced to a year and a day, but after maneuverings and appeals the sentence was set aside.

\$1 Million Excess Available

The loss to the Bank of Lyons is another striking demonstration of the need for adequate bond coverage. Members of Surety Assn. of America are offering a \$1 million excess bond under a pooled arrangement in which all members participate, and the rate is nominal. There is a requirement that adequate primary coverage be carried, and it is understood in the case of the Bank of Lyons the \$150,000 primary would have been sufficient. For about \$500 more premium annually, the \$1 million excess was available.

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Honor Vernor At Fire Department Instructors Parley

A tribute to the late Richard E. Vernor, co-chairman of Fire Department Instructors Conference, preceded the business portion of the conference's annual gathering at Memphis. The meeting was the 25th at Memphis and was a memorial to Mr. Vernor, who

had been chairman of the conference for 30 years.

Co-chairman Emmett T. Cox, Mr. Vernor's successor, introduced a tape recording of the late chairman's voice, and Robert F. Hamm, Indiana Rating Bureau, delivered a memorial address.

Improvements in the fire service are not keeping pace with the growing fire potential, according to Loren S. Bush, Pacific Board. "The fire potential in this country will nearly double in the next 40 years if our predicted population growth reaches about 300 million in the year 2000," he said. Describing

the changes in the fire service, Mr. Bush said that manpower is the most important factor in fire department operations, and shorter work weeks and city financial limitations dictate a more efficient use of this manpower. Fewer men on duty will lead both to changes in methods and in organization, and plans to combine fire and police, or other departments will dissolve as more highly trained men are required, he declared.

Makes Recommendations

Mr. Bush recommended greater use of off-shift firemen as a manpower reserve, combining fire departments in large metropolitan areas, and greater development of fire prevention bureaus staffed by highly trained men. He predicted that changes in construction will alter firefighting methods and there will be a greater use by the public of automatic sprinkler and alarm systems.

An analysis of the third worst school fire in the U. S., that of the Our Lady of Angels School in Chicago last December, was made by Dale K. Auck, Federation of Mutual Fire Insurance Companies. Mr. Auck, a member of the official body that investigated the fire, said a faulty inspection system permitted the building to be declared legally safe, but it was not fire safe.

The latest in fire service movies were shown at a session directed by Carl N. Clanton, Kansas Inspection Bureau, and Francis S. Austin, Missouri Inspection Bureau. Also appearing on the conference program were George P. Stahl, National Board; Donald G. Mees, Mountain States Inspection Bureau; A. L. P. Schmeichel, West Virginia Inspection Bureau; H. T. Johnson, Illinois Inspection Bureau, and D. M. Baird, Canadian Underwriters Assn.

Presents Recognition Cups

At a luncheon two silver loving cups in recognition of the conference's 25th year in Memphis were presented by Western Actuarial Bureau to the Memphis sponsors. Kent H. Parker, WAB manager, presented one cup to Chief John C. Klink of the Memphis fire department, and Herman P. Winter, chairman of the WAB executive committee, presented a second cup to Forrest Ladd, vice-president of the Memphis Chamber of Commerce. WAB and the Memphis fire department are co-sponsors of the conference. Speaker at the luncheon was Rep. Clifford Davis of Tennessee.

At a Friday luncheon Mr. Cox was presented a diamond studded fire chief's gold badge which had been awarded to Mr. Vernor.

Springfield F.&M. Elects Graham V-P; Six Others Named

Springfield F.&M. has elected H. Maitland Graham vice-president and treasurer, H. Robert Van Gaasbeck and Richard E. Hickey Jr. investment secretaries, and Richard H. Shaw assistant investment secretary.

Mr. Graham joined Monarch Life, Springfield F.&M. affiliate, in 1925 as a bookkeeper. He was elected assistant treasurer in 1926; comptroller in 1944; treasurer and a director in 1948; and then financial vice-president. He became a director of Springfield in 1958. Mr. Van Gaasbeck joined Springfield F.&M. in 1951. He became superintendent of the investment department in 1955 and was elected assistant treasurer in 1957. Mr. Hickey joined Monarch Life's investment department in 1946 and was appointed assistant manager in 1948. Mr. Shaw went with Monarch Life in 1950 and was named mortgage supervisor in 1952.

Elected Assistant Treasurer

Robert L. Hildebrandt has been elected assistant treasurer and Henry Menzel, actuary, of Springfield F.&M. Mr. Hildebrandt joined the company in 1936. He was appointed chief accountant in 1947 and superintendent of the general accounting division in 1958. Mr. Menzel joined Springfield F.&M. in 1956 after nine years with the actuarial division of National Bureau.

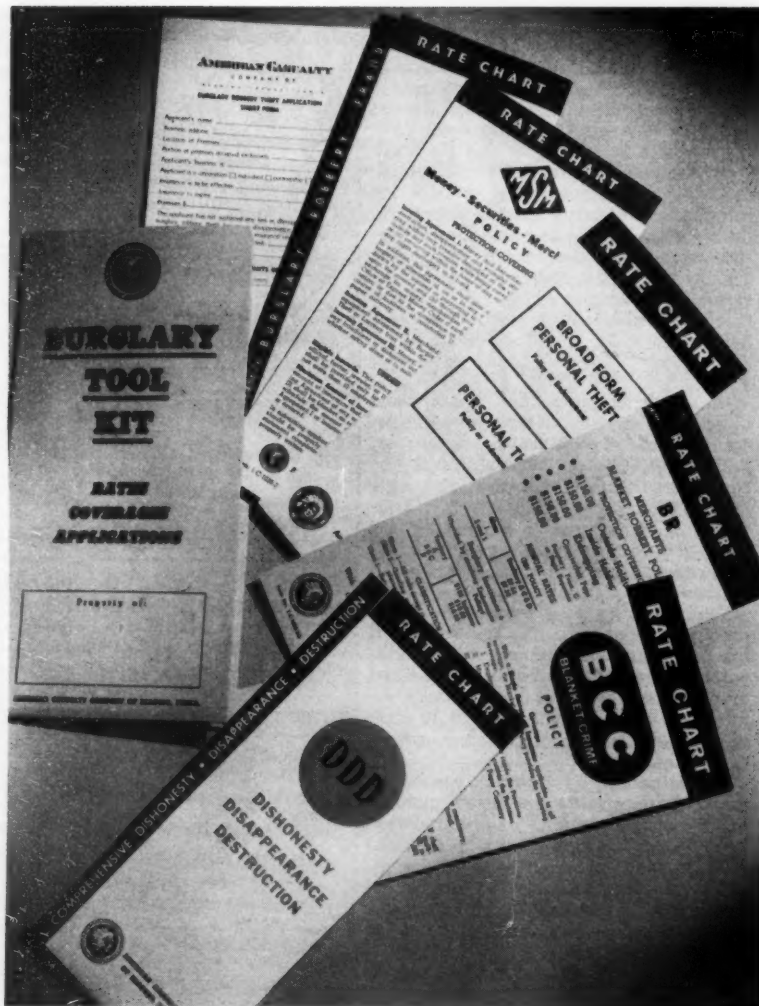
Gurdon W. Gordon Jr., secretary of Monarch Life, has been elected a director of Springfield F.&M. He succeeds his late father. Mr. Gordon joined Monarch Life in 1930 and held various positions, including that of assistant secretary. In 1946 he was elected secretary and in 1958 a director.

Irving J. Cordner, assistant vice-president and treasurer of Springfield F.&M., is retiring. He has been with the company since 1911. He was named office superintendent in 1924, assistant treasurer in 1938, treasurer in 1950, and assistant vice-president and treasurer in 1957.

Wash. Bureau Elects Gowdy

J. W. Gowdy, Northwestern Mutual, has been elected president of Underwriters Bureau of Washington. Minthorn P. Tompkins was named vice-president. Trustees elected are Ray Anderson, Allstate; Carl Birkenmeyer, United Pacific, and Robert M. Wade, General of Seattle.

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Cut In Production Cost Factor Analyzed

(CONTINUED FROM PAGE 2)

in the automobile field. It has been said that producers will earn less per unit, but their over-all earnings will improve through improved markets and greater sales," Mr. Forcier declared. However, he agreed with Archie M. Slawsby of Nashua, N. H., NAIA president, who has said he feared the companies would come to the conclusion shortly that their action was "too little—and too late."

Harm Done By Filings

Recent filings by the bureaus in many states, and the resulting unfavorable publicity, has done no one in the business any good, Mr. Forcier said. The public has been given an unfair and unrealistic picture of the business. A few politicians have been "having a ball." It is Mr. Forcier's opinion, shared by most NAIA officers, that the time has come for agents to be considered as equals with their principals. Most current problems could more readily be solved and more equitably decided if companies and agents had honest, two-way conversations.

Some companies seem to feel that the ills of the business can be cured by adopting all the methods of the competitors, Mr. Forcier declared. "They apparently have forgotten the old adage that 'imitation is the sincerest form of flattery.' We should throw aside those changes which promise nothing except change, and adopt those changes which careful study, analysis, and sincere discussion indicate are necessary."

Special Committee Report

Mr. Grannatt reported on the activities of the special commission study committee of the association appointed last year. He recalled a preliminary conference with representatives of National Bureau last July in connection with a proposed automobile rate filing on commercial and garage risks with the anticipated reduction in the production cost allowance. The committee stated its objections at that time.

However, it was not until January, 1959, that the association officially opposed any filing which might contain a cut in the production cost factor. This action followed another meeting with members of the National Bureau staff who stated that a filing would be made on private passenger cars, commercial automobiles, and garages—which would contain a 20%

production cost allowance.

Mr. Grannatt said that a commission reduction—with the amount of the reduction moved into the loss factor, thus increasing the permissible loss ratio—would help to improve the loss picture. If agents pay the difference, the companies would again make money, at least temporarily. The same result could be obtained if rates were raised to the necessary level, retaining the present factors in the rates. This solution is unacceptable to the companies, and emphasizes the second basic reason for the desire to reduce commissions—competition which has resulted in the loss of much good business by bureau companies.

Company Attitude Unfair

As far as the loss situation is concerned, the commission study committee feels that there is no reason why agents should be forced to take a reduction in income to make up a rate deficiency, Mr. Grannatt said. Such a policy, carried to extremes, would place agents in the position where they might be called upon to guarantee the companies an annual profit by absorbing all of their losses in the form of commission reductions. "In all the meetings with the bureau we have found no evidence of a willingness on the part of the companies to reduce their profit factor—not even to discuss seriously the possibility of reducing their expense factor. The stand they have taken is grossly unfair, and cannot be justified by even its most enthusiastic proponents."

The committee does not believe a commission reduction will have any material effect on the competitive situation, he continued. Theoretically, such a reduction would reduce the spread between the rates charged by bureau companies, and the direct writers won't file their present deviations on any new bureau rates, regardless of the production cost allowance. The competitive problem is of much greater importance to the companies than the more obvious loss situation. The problem can be solved if all segments of the agency system work together. It will not be solved by the simple and undesirable expedient of reducing the income of the producer.

Mr. Grannatt said that the association will fight for its members' rights—but under no circumstances will it usurp their individual right to negotiate with the companies for the most favorable contract they can secure.

He believes the ultimate solution of the automobile problem lies in a new approach to rating. This approach must more accurately measure the exposure to loss, and in some manner give the accident-free driver the premium reduction which he deserves. The latter is of extreme importance, because it is in this category that the competitive problem is most acute. After all, no agent is facing serious competition for his assigned risk business. Developing a new method of rating automobiles would pose some major problems, but unless it is done, the good business will continue to leave bureau companies.

Other Aspects Of Problem

Mr. Grannatt also said that companies and agents must analyze present marketing methods. The battle is not only between the direct writer and the bureau companies, but involves the mass sales technique as opposed to the individual sales method. In the personal lines, the business must strive

for simplified policies which contain all of the basic elements of protection for a family's home, personal property, and automobile.

He is disturbed because the proposed homeowners policy changes will result in a policy more closely akin to the spectacularly unsuccessful comprehensive dwelling policy than to the original homeowners. He thinks that some competitor will take the best parts of the new forms, put them in a package—and sell them readily—"while we spend hours explaining to our customers what advantages can

be gained if they buy this endorsement instead of that one."

Mr. Grannatt said that the commission study committee will continue its opposition to a reduction in commissions and will continue to work for a meeting with top management of the companies so that the competitive problems can be aired. In this day of electronic computers, he observed, changes in the method of doing business can be made which will benefit all. Agents do not oppose change. They ask only to have a part in making desirable improvements.



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Farmers Alliance Reports '58 Gains: Elects Officers

Assets of Farmers Alliance Mutual increased to \$7,300,522 in 1958, and premiums rose 12.3% to \$3,430,189. Alliance Mutual Casualty reported assets of \$5,021,143 and a premium increase of 17.8% to \$4,526,662.

New officers elected by the companies are: B. T. Gordon, assistant vice-president; Dale J. Sondergard, assistant vice-president; A. C. Duske, assistant secretary; Willda Coughenour, assistant treasurer; Ruth Lancaster, assistant treasurer; L. J. Wiggins, chief underwriter of Alliance Mutual; F. W. Holecek, chief underwriter of Farmers Alliance, and Joe E. Sheets, claims manager of Alliance Mutual.

Cherokee Reports '58 Figures

Net premiums of Cherokee in 1958 totaled \$3,237,869, and assets reached \$5,146,342. Surplus to policyholders increased to \$2,544,936.



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